



# ***Daily Report***

## **West Europe**

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FBIS-WEU-96-022

Thursday

1 February 1996

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January 1996

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# Daily Report

## West Europe

FBIS-WEU-96-022

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**NATO: Solana on Bosnia, NATO Future, Expansion**  
BR3101161496 *Copenhagen POLITIKEN in Danish*  
31 Jan 96 (section 2) p 1

[Report on interview with NATO Secretary General Javier Solana by Malin Lindgren in Brussels; date not given: "Peace Is More Than the Absence of War"]

[FBIS Translated Text] Brussels — He was the man on whom everyone could agree as the new secretary general of NATO, and he accepted the job, for which he was not a candidate, of public duty in the united Europe in which he believes.

Despite his impressive title as head of the world's military alliance Javier Solana, who today pays a visit to Denmark is a very civilian person. With friendly eyes and modest habits. He eats quickly and frugally, "almost a diet of fish and fruit," an aide said, and he can make do with a few hours of sleep at night.

The 53-year-old former Spanish foreign minister, who had been selected to be the Socialists' new prime ministerial candidate, does not talk in capital letters, but quietly and carefully about the problems in the former Yugoslavia where the NATO force, IFOR [Implementation Force], is putting itself in place. With a past as a researcher and professor of solid matter physics he is used to not trumpeting the results before the experiments have succeeded.

#### Open Mass Graves

[Lindgren] It is said that as foreign minister you always began your press conferences by saying: "I have some good news for you." What good news do you have for me?

[Solana] That NATO's units are now getting into place as planned, and that the operation is working even though there are of course still problems that we have to be aware of and handle with the necessary calm.

[Lindgren] One of them has been the Bosnian Muslims' resistance to handing over their prisoners of war as long as the Bosnian Serbs will not give an account of the thousands of Muslims who have disappeared and who are feared to be lying in mass graves.

[Solana] We understand the Bosnian people's sufferings and their concern about those who have disappeared. But the task that has been given to the NATO troops is to assist in the exchange of prisoners of war, not to take part in the search for the thousands who have disappeared during the war. We have to be clear that the Dayton agreement gives NATO a military mission and if the start of this goes awry, nothing — including the civilian aid program — can get started. It is our soldiers

who are to create a state of security in the region, make life reasonably normal for the civilian population, and guarantee freedom of movement. And this is why there can be no changes to the division of labor agreed in Dayton.

[Lindgren] Are there still foreign troops, Muslim mujahidin, in the region and could they represent a danger of terrorist attacks on IFOR?

[Solana] There are perhaps some units remaining and according to the Dayton agreement it is the task of the warring factions to get them out of the country. And as far as potential terrorists are concerned, IFOR has both the arms and the authority to defend itself. Immediately and without asking for permission first.

[Lindgren] People are now sure that there are mass graves in the former Yugoslavia. What is to be done about them?

[Solana] I would like to repeat that the agreement reached in Dayton cannot be changed. The civilian aid program and the military mission must not be mixed. The missing Muslims are a tragedy and a very sensitive problem. For we have now obtained proof that there are still concentration camps. I agree with Judge Richard Goldstone from the war crimes tribunal in The Hague that this proof must not be allowed to be destroyed. Here IFOR will help with guarding this proof to the extent that we can make resources available for this.

#### The Governments Must Take Responsibility

[Lindgren] In Sarajevo it has proved to be impossible to allow Bosnian Muslim police enter the Serb quarters. When will Carl Bildt and an international police force get to this hotbed of trouble?

[Solana] That is a yet another matter. I know that impatience is great. The military command takes the view that if the civilian program does not get underway soon the civilian population will not be able to see the advantages of upholding peace. I have met Carl Bildt in Sarajevo and know that he is in contact with several international organizations and donors. But the governments cannot get around the fact that the responsibility rests with those who have involved their soldiers in the peacekeeping operation. They must make sure that both the military and the civilian mission can function.

[Lindgren] What in your view is NATO's role in the long term, after Bosnia?

[Solana] The alliance's mandate will continue to be defense and security policy but, keeping pace with developments, we have become as much a diplomatic



as a military organization. We respond to the new challenges history is giving us. It is worth noting that a large, clearly defined organization like NATO is able to move in relation to new signals from the surrounding world. Those people who after the fall of the Wall were writing NATO's obituary were too quick off the mark. The alliance is a catalyst of the greatest value which could lead to a European security structure such as we have never seen before. Indeed, I would even say that if NATO did not exist we would have to create it.

The alliance's member countries' experience of the cooperation in IFOR is positive. This proves that members, partners for peace, and countries contributing troops like Egypt and Morocco are able to work together under NATO command in a good cause. We are moving now, not in theory but in practice, live.

#### **Not a New Iron Curtain**

[Lindgren] How much content is there in a European security policy if the Russians continue to oppose NATO's enlargement to the east?

[Solana] We have been working on this question for the last two years. When I was foreign minister it was already on my desk. And we must convince our friends in Russia that NATO is no longer directed against anyone. And when we talk about the enlargement of the alliance and say that the aim is not to create a new Iron Curtain in Europe, I believe that the Russians will discover that European security is also of significance for them. But we must have patience.

[Lindgren] Will it worry you if the forces of reform lose in the forthcoming Russian presidential election?

[Solana] I do not ask myself questions before we know the result. We must continue with meetings and dialogues for days, weeks, and months. After all, the experience from NATO shows that when you are sitting at the same negotiating table war becomes more unlikely.

[Lindgren] When we talk about NATO enlargement, is there already a timetable which answers the questions: who and when?

[Solana] 1996 will be used for studies and individual talks with each of the European countries which want to become members of NATO. During this period I cannot make statements about who and when.

[Lindgren] The Nordic Brigade has attracted attention by containing two NATO countries, Norway and Denmark, two neutral countries, Finland and Sweden, the former Warsaw Pact country, Poland, and units from the Baltic countries. In Denmark it is a source of con-

cern that there have apparently been plans for a move to East Slavonia under a UN mandate.

[Solana] That is not on the agenda at present. Do not forget that your governments must agree. But it is understandable that in such an operation you have to be able to move. In East Slavonia, where Belgian and Russian troops have long been stationed, there could be a need for replacements or reinforcements.

[Lindgren] Do you permit a totally private question? If I had a son who was in Bosnia with NATO I would react negatively to seeing him stationed somewhere under a much weaker UN mandate where soldiers without the right to attack have had to be passive witnesses to massacres of civilians. Is this fair?

[Solana] The situation is not the same. The United Nations has different orders now and with NATO troops "behind them" there will be a guarantee of air support and assistance in the event of evacuation.

[Lindgren] What is NATO's plan of action if the war in the former Yugoslavia resumes when IFOR withdraws before the end of the year?

[Solana] Bearing in mind the danger that you will say that I am as cautious as a classical diplomat, you have to understand that if our mission in Bosnia is to succeed there is no use in concentrating on what will perhaps and perhaps not happen in a year's time. [Solana ends]

#### **Courage and Leadership**

As a lieutenant in the Spanish engineering corps Javier Solana has his soldier's papers in order. At the same time he is the only NATO secretary general who has personally experienced political persecution and was, for example, barred from the university in Madrid under the Franco regime.

[Lindgren] As a Spaniard you are the only secretary general who has experienced a civil war in your own country. Does this give a special insight into understanding the conflict in the former Yugoslavia?

[Solana] I was born after the war and have no personal memories. The front ran right through my family, but my parents made it clear to us how important it is to make peace, be reconciled, and work on the sufferings a war between fellow countrymen produces. You must not turn around and look back for the rest of your life. The Spanish experience is that it requires courage and leadership to heal the wounds. The most important thing we can give the sides in the former Yugoslavia is understanding that peace is more than just the absence of war.

**International: Plan for Via Baltica Highway Reported**

LD2901210796 Helsinki Suomen Yleisradio Network in Finnish 1530 GMT 29 Jan 96

[FBIS Translated Text] The plan for the Via Baltica highway cutting through the Baltic countries has been completed. A five-year investment program will help to improve the roads and increase efficiency at border crossings. The project has been prepared by an international working group under the former governor of the Bank of Sweden, Bengt Dennis, and international investment banks, such as the World Bank and the Nordic Investment Bank, are involved in the financing. The details of the project were announced in Stockholm today.

The aim of the working group is to bring the Via Baltica highway up to European standards within five years. The northern end of the route is in Helsinki from where it runs via Tallinn, Riga, and Kaunas to Warsaw. At this stage, a total of \$180 million will be invested in Via Baltica. The financing is organized mainly by the governments of the Baltic countries and Poland. Part of the foreign financing has already been arranged.

Although the actual highway already exists, old sections will be repaired and new stretches of road will be built. Just under half of Via Baltica, whose total length is about 1,000 km, will be widened or otherwise improved. Streets for through traffic will be improved in Tallinn and new roads and bypasses will be built in seven towns.

The border crossing stations, which are the biggest bottleneck along Via Baltica, are already being improved thanks to an EU program and EU funding. According to the Finnish coordinator of Via Baltica, Martti Mietinen, road traffic between Finland and the Baltic countries and between Finland and former Eastern Europe will see massive growth and tourism will increase.

**International: 'Prompt' Financial Aid Needed for Bosnia**

AU3101143896 Paris AFP in English  
1218 GMT 31 Jan 96

[FBIS Transcribed Text] Davos, Switzerland, Jan 31 (AFP) — As world business and political leaders gathered here Wednesday to discuss Bosnia, the top civilian coordinator for the war-ravaged country has urged Asian and other economic powers to provide reconstruction funds to avert a Bosnian economic crisis.

World Bank officials stress prompt financial aid is vital to maintain the momentum behind Bosnia's nascent peace process, begun in December with a US-brokered peace accord which ended almost four years of war.

Senior Bank officials warned last week delays in releasing millions of dollars for aid projects could jeopardize programmes critical for the implementation of the politically sensitive civilian aspects of the accord, which is lagging behind the smooth compliance in military matters.

After a series of meetings in Paris Friday to mobilize funds for rebuilding Bosnia-Herzegovina, Michel Noel, the Bank's chief of country operations for central Europe warned: "If the population does not see rapid results, this could possibly call into question the peace process."

Around 90 percent of the 4.3 million population now survives on humanitarian aid.

Western experts also fear delays in clearing Bosnia's estimated four to six million landmines and unexploded munitions could seriously impede urgent reconstruction efforts, and urged Monday a crash 70 million dollar mine clearance programme.

Former Swedish premier Carl Bildt, in charge of overseeing the civilian side of the Dayton peace accord, admitted on the eve of the Davos meeting: "I have some concerns concerning the reconstruction."

Speaking after a meeting in Brussels of an international working party coordinating implementation of Bosnia's peace plan, Bildt said: "We need to have progress going on fast (...) The economy not in a good shape," after suffering the dislocations of war.

Reintegrating at least 150,000 demobilised soldiers would prove a huge challenge for the former Yugoslav republic, he said, and appealed to Asia's economic Tigers to provide financial assistance to rebuild Bosnia.

"I am very keen to get (cash) commitments and welcome the substantial offer made by Japan," he said, referring to the 500,000 dollar sum Tokyo has signalled it is prepared to advance.

The working party, grouping Canada, Japan, the European Union, the United States, Turkey and Islamic countries, aims to find long-term funds for rebuilding Bosnia.

Bildt was speaking ahead of Thursday's opening session of the summit at this chic ski resort for the World Economic Forum (WEF)'s annual summit of the world's power-broking elite.

Some 1,000 presidents, prime ministers and heads of multinationals are expected to pack into the two-day summit.

Richard Holbrooke, architect of the Dayton peace accords, will join Bildt and leaders from Bosnia, Croatia



and S. lvia in a two-day special session on the economic task of rebuilding the region.

WEF president Klaus Schwab said the 1996 meeting will launch a "Peace in the Balkans" initiative aimed at reintegrating the former Yugoslavia into the world economy to boost its reconstruction after its bloody three and a half year war.

"Our goal is to integrate leaders of world business into the peace process as we are convinced that peace can be sustained only if backed by rapid economic and entrepreneurial development," he said on the eve of the meeting.

In particular participants will discuss how to translate pledges of nearly 520 million dollars, made by some 50 prospective donors in Brussels just before Christmas, into concrete action.

The World Bank, which plans to put up about one-quarter of the total, wants the funds to be formally committed by the end of March for disbursement before year's end.

Bosnia will need an estimated 5.1 billion dollars in reconstruction funds in the next five years, 2 billion in 1996 alone.

#### WTO: Examines Complaint on Japanese Liquor Tax

AU3001173096 Paris AFP in English

1632 GMT 30 Jan 96

[FBIS Transcribed Text] Brussels, Jan 30 (AFP) — The World Trade Organisation [WTO] began examining a complaint lodged by Canada, the European Union, and the United States over taxes imposed by Japan on imported spirits, a European commission spokesman said.

The EU considers that the taxes on imported whisky, cognac, gin and vodka are discriminatory and purely designed to protect Japan's own substitutes for these spirits, as well as traditional tipples such as Shochu and Sake.

Three judges will listen to presentations from the two hearings for three days. A second hearing is scheduled for March and a final decision is not expected for six months at the earliest.

**Austria: "Secret" Army Report on IFOR  
Summarized**

AU0102131296 Vienna NEWS in German 1 Feb 96  
pp 26-27

[Report by Gert Edlinger and Karin Leitner: "First War, Then Peace"]

[FBIS Translated Excerpt] The exactly 100-page "draft" is top secret and numbered. In it, the Army Intelligence Office (the military foreign intelligence service HNaA) and the staff group in the Defense Ministry assess in a "specific contribution" the activities of the Austrian soldiers in Bosnia-Herzegovina. The paper describes the dilemma of the military regarding AUSLOG [expansion not given]/IFOR [Implementation Force] and the resulting risks.

In the view of the Army experts, the deployment of a 280-man transportation unit to provide supplies to the UN units in Bosnia, which was decided by the government and approved by parliament in Autumn 1995, is no longer clearly a pure peacekeeping mission — rather, it is now "peace enforcement." Or, as the officers put it: Instead of "peacekeeping with the participation of military and police forces as well as civilian personnel," now the point is "peace enforcement with military means."

The secret report warns that the Austrian troops must "not expect a mission as in Cyprus or on the Golan." Instead, they must expect, "as NATO also notes in OPLAN [expansion not given] 10405," attacks by "warlords" (gang leaders).

**Higher Risks**

However, parliament did not approve a "peace enforcement" mission. It only approved "participation in a peacekeeping force under UN mandate and after the conclusion of peace." This is a discrepancy that the Defense Ministry is aware of. Klaus Satorius, the spokesman of Defense Minister Werner Fasslabend, says: "Even though the Bosnia mission includes greater risks than our previous missions abroad, we think that the mission continues to be fully covered by the government decision. One must not forget that the term of a UN peacekeeping mission has also been subject to a certain change in interpretation."

**Danger of Hostage-Taking**

According to the confidential Army report, the Austrians, who will leave for Bosnia in mid-February, now have to expect being "taken hostage and used as shields" and being attacked by snipers. Not only have "thousands" of special units of all three warring parties in the Austrians' area of operations "been trained as snipers," the actions by snipers also "correspond" to the regional

"mentality," the members of the General Staff warn concisely.

This is one of the reasons why both Germany and France rejected the mission role of the transport contingent, which the Austrians have accepted, for security reasons. [passage omitted]

**Austria: Haider Calls For Reduction in Foreigners**

AU0102095596 Vienna DER STANDARD in German  
31 Jan 96 p 5

[Unattributed report: "Nationalrat Extraordinary Session: Haider Demands 'Reduction' of Foreigners"]

[FBIS Translated Excerpt] On Tuesday [30 January] afternoon, the Nationalrat discussed unemployment and the Lambach power station. At the request of the Movement for Freedom (F), an extraordinary session took place at 1600 hours on the subject of unemployment. The Greens announced an interpolation on the subject of Lambach.

F chairman Joerg Haider knew how the problem of "employment policy" should be solved. He called for a "drastic reduction" in the aliens quota by between 50,000 and 80,000 in the next few years. He also announced "over 20 specific projects" in the "struggle against unemployment."

In any case, there was no blue-black cooperation at this extraordinary session. "The Austrian People's Party [OeVP] has no intention of voting for F's proposals," said OeVP group chairman Andreas Kohl. "This is just an extract from the programs of the Chamber of Industry, as well as home-made populism," he said. [passage omitted]

**Austria: Prosecution Limits Haider Investigation**

AU3101154296 Salzburg SALZBURGER  
NACHRICHTEN in German 31 Jan 96 p 2

[Report by "stein": "Joerg Haider and His Krumpendorf Speech: Judiciary Cancels Part One of Investigations"]

[FBIS Translated Text] Joerg Haider can relax for a short while. The state prosecution in Klagenfurt has stopped its investigations into him in connection with his remarks to former members of the Waffen SS in Krumpendorf. Arnold Lauts, head of the State Prosecutor's Office in Graz, said this business is "over." Said Lauts: "This speech contained no words that can be interpreted as a desire to revive SS activity. Haider spoke neither about the Waffen SS, nor about National Socialism. That is the opinion of all the authorities that investigated these accusations, including the Justice Ministry."

However, the judiciary continues to be active in connection with Haider's ORF interview, in which the Movement for Freedom (F) leader commented on his Krumpendorf speech. In this interview, Haider said literally: "The Waffen SS was a part of the Wehrmacht, therefore it should be accorded all the honor and recognition that it is due in public life."

Therefore the state prosecution is continuing its investigations into a suspected desire to revive SS activity. Because the ORF has its seat in Vienna and the interview was broadcast on television, the case has been passed to the state prosecution. Because of the F leader's opinions on the Waffen SS, things could really get difficult for him.

The reason for this is because the Supreme Court has upheld a sentence passed on two men from Carinthia for conduct aimed at a revival of SS activity. The two men had disseminated a leaflet containing the following: "It is a lie to say that the Waffen SS was a criminal organization. In fact, it fought honorably and respectfully." A justice official acquainted with the "Haider case" says that from a criminal angle, the ORF interview might "contain something."

Haider said Monday that his ORF interview represents the only sore point concerning his Krumpendorf speech. He said that after a party meeting lasting several hours, he was caught between the hammer and the anvil, so to speak, and, in his confusion, might not have responded as precisely as he should have done.

#### **Austria: Haider 30 Sept Krumpendorf Speech; Commentary**

AUSA1011/0096, Vienna *PROFIL* in German 8 Jan 96, pp 10-11

[Commentary by Hubertus Czernin, "Burger Was Also Marginalized" — including "almost complete" text of speech given by FPÖ leader Jörg Haider at a meeting of former members of the Waffen SS in Krumpendorf, Carinthia, on 30 September 1995, one day prior to the Ulrichsberg festival of World War II veterans)]

[FBIS Translated Excerpt] [passage omitted] Haider: "Ladies and gentlemen, dear friends. I ask for your understanding for my lateness, but we had a big event in Salzburg today. (...) I thought it would be a good idea to also set up a public sign in view of the fact that the meeting and Ulrichsberg have been the subject of so much discussion once again and to make it clear that one need not be ashamed, as an Austrian politician, of meeting with the participants at the Ulrichsberg festivity. Thus, I am pleased that I can again cordially welcome you to Carinthian soil."

(The leader of the Freedom Party of Austria (FPÖ) then addresses a German participant who apologized at the hall entrance for an unfriendly reception Haider was given in Hamburg. Haider refers to the anarchists of Hamburg's Hafenstrasse: "(...) who become rich by doing nothing, and this is one of the reasons why I believe that a counterweight must be established (...), so that the young generation and the young people have prospects in a community where order, justice, and decency are still principles that are being implemented."

"Since the Ulrichsberg ceremony has caused such a stir this year. A discussion has started in Austria on whether it is permissible for a minister to attend the meeting. It is true that we are living at a time when political correctness — a fashionable term — when the terrorism of virtues is being spread via the media and by public figures, and when efforts are being made to discriminate against the meetings and gatherings of the older generation, which only wants to remember together what it has gone through, what it experienced, for what it suffered, what it stood for, and what it still stands for today. Of course, there are many who no longer really dare attend the celebrations, who believe that they might face problems if they participate, if they are seen there. Thus, some politicians find the following way out. They decide to go, but not to make speeches, or they do not attend at all so that nobody can write bad things about them. I would like to know whether any of those who are too cowardly to attend or who constantly condemn the Ulrichsberg meetings can offer a sensible argument. In fact, there is none, apart from people being annoyed about the fact that there are still decent people in this world who have character and who stick to their conviction also in the face of most severe pressure, and who have remained loyal to their convictions until today. Dear friends, this is a principle that is also passed on to us young. Ultimately, we live on this, and for this reason, it is our and your task to ensure, for example, that exhibitions like the ones that are shown in Germany and that are also brought to Austria to provide information on the Wehrmacht, and which suddenly depict the Wehrmacht or the participants and members of the German Wehrmacht as a gang of criminals [sentence as published] This is common practice now. In Austria, such an exhibition is currently also being shown with public support. We naturally have money for that. We spend money on terrorists, we spend money on violent newspapers, we spend money on human trash who do not want to work, and we have no money for decent people."

"Together with my friends, I will always try to ensure that respect is paid to this older generation, that it is respected for what it has gone through, and above all,

that it is respected for what it has preserved for us. This is something very decisive. And all who join these today who claim that the members of the war generation, of the Wehrmacht, were all criminals ultimately sold their own parents, their own family, their own fathers, and a people that does not honor its ancestors is desecrated anyway. (...) I wish you a big and beautiful meeting. I hope that you will have good encounters, and that you will meet many friends and comrades. I also assume that my parents will attend the meeting again, which is a tradition. However, we are the target of abuse anyway, so it does not really matter. One can still live. As Wilhelm Busch once stated: "Once one's reputation is ruined, one can live quite well without embarrassment." I am not living without embarrassment, but I live better with the cards on the table. (...) [passage omitted]

**Austria: Article Summaries F Defense of Haider Speech**

AU3101150296 Vienna DIE PRESSE in German  
31 Jan 96 p 7

[Report by re: "F Brochure on Waffen SS"]

[FBIS Translated Text] The Movement for Freedom (F) is publishing an explanatory brochure on the subject of the remarks that F leader Joerg Haider made before former Waffen SS members in Krumpendorf.

"Once again, the political left and their allies in the ORF and the newspapers have attempted to defame the F's successful chairman, Joerg Haider, and paint him brown by means of public slander and deliberate false interpretations." This introductory sentence in the foreword already explains a few things.

According to the foreword, this brochure serves as a protocol of this slander, showing how brutally and inconsiderately Joerg Haider's words have been twisted in order to provide a veritable national scandal. In 57 pages, the brochure presents a "protocol on slander," the "Krumpendorf speech," the "F Movement's explanation," "The Austrian People's Party's declarations" on Haider, letters from readers in support of Haider, and "historical documents on the Waffen SS." A special chapter is devoted to the "National Socialist past of the others," especially the Social Democratic Party.

The printed Haider speech in Krumpendorf also contains the controversial statement about "respectable people." This is the text of the whole passage according to the F brochure: "I would like to know whether any of those who are too cowardly to attend or who constantly condemn the Ulrichsberg meetings can cite a sensible argument. In fact, there is none, apart from people being annoyed about the fact that there are still decent people in this world who have character and who stick to their convictions also in the face of the most severe resistance, and who have remained loyal to their convictions to this very day. And this, dear friends, is a principle that has also been passed to its young people, from which we also live."

The documents on the Waffen SS include a letter from German Chancellor Adenauer in which he issues a declaration of honor for Waffen SS members "insofar as they, as soldiers, fought honorably for Germany."

**UK: Hurd Discusses EU Single Currency***MS3101143996 London FINANCIAL TIMES  
in English 31 Jan 96 p 23*

[Article by Douglas Hurd, former British Foreign Secretary: "Hold Fire on Monetary Union"]

[FBIS Transcribed Text] Some of us who have worked for the coming together of the peoples of Europe can now reasonably make a request to those who manage Europe. You should no longer make support for a single currency the overriding test of support for the European Union.

The fathers of the European Community believed in the doctrine of the "great leap forward". It was not enough for the European Community — now the European Union — to make gradual progress step by step. Such steps would end in nothing.

Instead, the imagination had to be caught at intervals by some dramatic move forward, with a clear timetable. Thus the European Community was born, and later the single market. Thus, the concept, the criteria and the timetable for economic and monetary union were agreed at Maastricht.

It was not seriously argued on economic grounds at the time of the Maastricht conference that a single market required a single currency. The single currency was devised in a sincere and honourable way as the next political leap forward. There was no repetition of the arrogant mistake made at Messina in 1955 when the UK refused to take any part in preparing the Common Market. This time the UK is part of the preparation of the project but, thanks to John Major's opt-out, not committed to the outcome.

There is now a muffled cry in unexpected places either for postponement of the timetable or dilution of the criteria for monetary union. Dilution is difficult because although some sophisticated Germans worry about too strong a D-Mark (deutsch mark), German public opinion fears that the Euro-mixture is too weak. Postponement is difficult because the timing is in the treaty and the signatures on the treaty were powerful and determined. I do not underestimate the strength of this honourable determination.

It is not logical for the UK to request a postponement because the UK has no commitment to join. It is not at all easy for those who wish to join but may be unable to ask for a postponement because this looks like a confession of weakness. But someone has to face reality. All have tactical and political difficulties. But the Germans are best placed without humiliation to suggest postponement.

The reasons for the cry are clear enough. Instead of unifying the Europe of 15, the Emu [European Monetary Union] proposal divides it into three clubs. There are those which, by the beginning of 1998, will probably be both able and willing to join a single currency in 1999. There are those which will probably be able, but probably not be willing at that date. Finally, and most poignant, there are those which are anxious to join, but who will not be able to meet the criteria if the treaty stands as it stands today and is interpreted with reasonable rigour.

Second, the relationship between member states which will be in the monetary union and those which will be outside it is now to be examined. It was not examined at Maastricht because the assumption was that at least all the important states would be in. Unless this study is agreed and successful, there is a danger that the single market itself might begin to unravel. What had been devised as a leap forward in unity would then become an angry retreat in division.

Third, the timetable for monetary union falls at an awkward stage in the economic cycle. Growth is slowing across Europe, unemployment is a main preoccupation. It is good in itself to reduce government deficits and public debt and to keep inflation under control. It is a ludicrous paradox to see some British economic commentators, known for their rightwing virtue, beginning to preach vice to France in the form of deficit, debt and devaluation — simply because virtue is now identified with Germany and the Maastricht treaty. Rational British Conservatives can see in what Alain Juppe is trying to do some of what we are glad to have done ourselves.

But these necessary reforms are best accomplished by national persuasion on a national timetable. Such flexibility is not available to those whose main priority is to join the single currency on the timetable in the treaty.

Fourth, after convergence, what? Nothing in the treaty defines the morning after. A distinguished Italian told me this month it was possible that with a great effort Italians might train themselves down to the necessary weight to qualify one day for the match — but everyone knew that the day after there would be a great rule-breaking feast.

Expecting this danger, Mr Theo Waigel, the German finance minister, is now devising a fitness club which would keep everyone underweight for ever. This club is not in the treaty. Its underlying thought would be widely and deeply unpopular in practice.



If we all continue as we are, the European Union as a whole is in danger of falling into what at Maastricht was simply the Danish delusion. I remember well the Danes chiding the British negotiators then because we were so slow and so hesitant, and insisted on so many changes in the draft. We were told that the Danes had overcome all these hesitations. But those who told us were wrong about one basic element, the Danish people, whose initial rejection of the treaty came close to derailing it.

We hear the same voices again today. Sometimes they politely chide those who hesitate for lack of leadership. But leadership in a democracy consists of being one step ahead of your followers. If you are 20 steps ahead, nobody follows.

It is said that postponement would mean that Europe was condemned to stagnation or even disintegration over the next few years. That is not so. It arises from the fallacy that at any one time there is only one test of European success.

On the contrary, member governments can put forward an agenda for Europe of huge significance. We have to enlarge the Union to the east as we have promised. We can no longer pretend that half of Europe is the whole of Europe, or that Prague, Warsaw and Budapest are not as European as Rome, Paris or London.

Beyond those countries lies something else. At the time of Maastricht it was possible to imagine that Russia would evolve fairly smoothly towards liberalism in political, economic and foreign policy. We see now, by contrast, that the confused turbulence of Russia is likely to pose the greatest single problem for European statesmanship in the next decade.

I see no reason of interest or instinct why there should not be an agreed common European policy towards Russia. We do not need a new treaty for this. We need the will and the wit to use the provisions of the existing treaty in a consistent and professional manner. We would then be a valid partner for the U.S. in tackling what is likely to be our great single joint problem. None of this was apparent at the time of Maastricht. It is apparent now, and we should act on it.

Within the European Union we have to complete the single market and show its importance to our citizens. We are all committed to the "ever closer union of peoples".

This does not mean the creation of a superstate, or the gradual and indefinite transfer of authority to Brussels. It means the intertwining of the lives and work of our citizens, our professions, our businesses through effective competition, the elimination of state subsidies, the implementation of the Gatt agreement and privatisation.

There is plenty of detailed work which is not complete. For this purpose we need the supranational institutions which exist — the Commission, qualified majority voting in spheres which it already occupies, a court, a directly elected parliament.

Those who have felt in their hearts that the single currency was becoming the wrong test for the success of the EU have, until recent weeks, been mainly silent. We felt perhaps that, if we spoke out, we would give comfort to those whose aim is quite different — namely to reverse the processes of Europe, to win votes from xenophobia, to narrow our horizons back to 1935 or 1945.

But opponents of the EU in several countries will gain strength above all if the leap forward to a single currency finds no solid ground at the other side of the chasm. Earlier leaps have also had to be modified — the European Defence Community in the 1950s and the first plan for economic and monetary union in the early 1970s. Perhaps Europe is now sufficiently mature to see that the concept of the great leap forward is flawed.

National governments are judged at elections, not by what they promise for the future, but by how they are performing in the present. At present the European Union lacks something which we can and should supply between now and the end of the century: a link which the citizen welcomes between the work of the EU institutions and his or her daily life, a sense that the security and prosperity which the EU has brought is well founded and can be sustained.

#### UK: Adams Reiterates Opposition to Elections

LD3101130796 London PRESS ASSOCIATION  
in English 1252 GMT 31 Jan 96

[By Chris Parkin and Ian Graham]

[FBIS Transcribed Text] Sinn Fein leader Gerry Adams today repeated his opposition to elections in Northern Ireland ahead of all-party talks on the future of the province.

He was speaking shortly after Democratic Ulster Unionist leader the Rev Ian Paisley forecast that Sinn Fein would take part if an election was called, saying: "No political party worth anything can afford to boycott these elections."

Mr Adams said at Dublin Airport before flying to Washington for talks with United States President Bill Clinton's security advisor, Anthony Lake, that there was "no question" of Sinn Fein becoming involved in the poll process Prime Minister John Major outlined last week.

Sinn Fein, he stressed, was in favour of elections — but as part of, and not before, all-party talks in the Northern Ireland peace process.

He said of Mr Paisley's prediction that Sinn Fein would join elections: "Mr Paisley should bring his ideas into the political track.

"We are implacably opposed to elections, but not in their proper place.

"We will be looking for support in the US and across-the-board consensus to get the British prime minister to honour his commitment on all-party talks.

"What we need is all-party talks by the end of next month."

Mr Paisley, who was meeting Mr Major in London later today, also forecast the Mr John Hume's SDLP [Social Democratic and Labour Party] would join elections to a new forum, which Mr Major believes is now the only way all sides can overcome the deadlock on disarmament.

He told BBC Radio Ulster: "The SDLP will fight the election. Sinn Fein will fight the election. Whether they go to the body or not is another question. There is no political body in Northern Ireland that can't fight this election."

#### UK: Paisley Sees 'Progress' in Talks With Major

LD3101213296 London PRESS ASSOCIATION  
in English 2011 GMT 31 Jan 96

[By Sarah Womack]

[FBIS Transcribed Text] Democratic Ulster Unionist leader Dr Ian Paisley tonight emerged upbeat from 90-minute talks with John Major, insisting "sufficient progress" had been made to encourage both the British Government and his party.

But the Ulster peace process remained deadlocked after Sinn Fein leader Gerry Adams repeated his opposition to elections in Northern Ireland ahead of all-party talks on the future of the province.

Tomorrow Ulster Secretary Sir Patrick Mayhew meets Irish deputy premier Dick Spring for the first face-to-face talks between Dublin and London since Mr Major enraged nationalists and republicans by pushing elections to a negotiating body as an alternative route to all-party talks.

Mr Major's opponents believe elections would allow the Unionist majority in Northern Ireland to ride roughshod over their views.

Tonight Downing Street said Mr Major had a long and constructive meeting with Dr Paisley. There was a

preliminary discussion of the next steps in the peace process for Northern Ireland, particularly the practicalities of the elective process proposed by the Prime Minister last week," a spokeswoman said.

Downing Street added that a good deal of ground was covered, and progress made.

Mr Major meets Ulster Unionist leader David Trimble tomorrow for further talks, and Alliance party leader John Alderdice on Monday.

Earlier Dr Paisley forecast that Sinn Fein would take part if an election was called, saying: "No political party worth anything can afford to boycott these elections."

But Mr Adams said at Dublin Airport before flying to Washington for talks with United States President Bill Clinton's security advisor, Anthony Lake, that there was "no question" of Sinn Fein becoming involved in the poll process Mr Major outlined last week.

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Mr Paisley also forecast the Mr John Hume's SDLP [Social Democratic and Labor Party] would join elections to a new forum, which Mr Major believes is now the only way all sides can overcome the deadlock on disarmament.

He told BBC Radio Ulster: "The SDLP will fight the election. Sinn Fein will fight the election. Whether they go to the body or not is another question. There is no political body in Northern Ireland that can't fight this election."

Irish Prime Minister John Bruton has requested a signal of continued support from Mr Clinton for Dublin's approach to the peace process.

Mr Bruton reported further contact with Washington in a detailed reply today to a series of parliamentary questions.

He also confirmed plans for an Anglo-Irish summit with John Major within weeks - but repeated his

"disappointment" at the Prime Minister's strong backing last week for Ulster elections.

Mr Bruton told the Dail he had twice written to Mr Major about his Commons statement.

"I was disappointed at the response of the British Prime Minister. In all recent contact with the British Government - at both political and official level - the Irish Government viewpoint has been put clearly and consistently.

"An elective process in Northern Ireland should flow from all-party talks, and not vice-versa. And it could only work if it had widespread support.

"The British Prime Minister was fully aware of our views when he spoke in the House of Commons."

Mr Bruton said he had stressed to Mr Major that the end-of-February target date set by both Governments for the start of inclusive discussions remained in place.

He added: "I have written to President Clinton to set out our position on the way ahead and to ask for his continuing support."

Downing Street said tonight Mr Major had replied to Mr Bruton in a letter. Meanwhile, Sinn Fein today claimed the Government had given the Unionists a veto on progress in Ulster.

The party's northern chairman Gerry O'Hare said such a veto "represents an insurmountable obstacle on the way to a negotiated comprehensive settlement".

Addressing Sinn Fein constituency representatives in Belfast, he said the privileged position granted to Unionists was wholly undemocratic "as it gives the power of veto over political progress to a minority in Ireland and an even smaller minority within these islands".

Mr O'Hare complained there was a situation which was allowing 20 percent of the population of Ireland to dictate the future on their terms to the exclusion of others.

### Germany: Kinkel Concerned About Czech Relations

LD3101145396 Berlin DDP/ADN in German  
1403 GMT 31 Jan 96

[FBIS Translated Text] Bonn (DDP/ADN) — Faced with the current controversy about a joint declaration, German Foreign Minister Klaus Kinkel has warned against spoiling the "generally good" relations between Germany and the Czech Republic. Bonn wanted to keep its relations with Prague as close and friendly as those with its Western neighbors, Kinkel said in the Lower House today.

Unfortunately, despite the good political relations they had not yet been able "to drive away completely the shadows of the most recent, disastrous past," Kinkel said. Therefore, the two governments were trying to achieve "full reconciliation between Czechs and Germans" with this declaration.

The focal point here is, among other things, reparation for the victims of the Nazi regime. The Germans had "wounded the Czechs and these wounds have not yet healed." But the Sudeten Germans had also met with injustice and been expelled and their property expropriated. Up to now it had not been possible to reach "agreement in content and in a joint language on the questions of assets and the injustices that the Sudeten Germans suffered."

Kinkel said that as chief negotiator, he had to take into account issues of international law, constitutional problems, as well as "what is politically feasible on both sides." The process had to lead to a solution that meant "genuine reconciliation and not renewed division" between Germans and Czechs. He had never said the Czechs were unwilling to have the word "expulsion" included in the text of the declaration. What was important was "the overall formulation, the context, and a clear-cut and unambiguous word of dissociation," he said.

Kinkel said the two sides would continue to negotiate "calmly and constructively." He said German-Czech relations were being harmed by the "nervousness and drama" that the opposition was trying to inject into the issue.

### Germany: Czech Ambassador Calls For 'Change of Tone'

AU0102105196 Cologne Deutschlandfunk Network  
in German 1000 GMT 1 Feb 96

[FBIS Translated Text] The Czech ambassador to Bonn, Jiri Grusa, has called for a change of tone in relations between the FRG and his country. Grusa told Saarland

Radio today that certain circles in Bavaria are behaving in a rather arrogant manner toward the Czech Republic. The diplomat warned against the politization of the past by radical groups on both sides. Generally, German-Czech relations are good, Grusa stated.

### Germany: Report on 50-Point Economic Plan

AU3101144296 Munich SUEDEDEUTSCHE ZEITUNG  
in German 31 Jan 96 p 1

[Report by "hen": "Government Adopts Action Plan For Employment; Taxes and Ancillary Wage Costs To Be Reduced"]

[FBIS Translated Text] Bonn — The Federal Government wants to fight the growing unemployment by increasing subsidies for the self-employed, by means of a future-oriented financial and tax policy, and by reducing growth-impeding ancillary wage costs. These are the priorities of the 50-point program for Investment and Employment, which the government has adopted as part of the 1996 annual economic report. According to ministers Theo Waigel, Guenter Rexrodt, and Norbert Blum the government considers this to be its contribution to the recently agreed "Alliance for Labor." The program is not a "horror catalogue for dismantling social security" but a kind of "vitamin shot" for the economy, Rexrodt said.

The 19-page program mainly lists measures that are already under way or are being planned and cover the entire range of economic, financial, social, education, and labor market policies. The program promises new measures, or at least new impetuses, in fiscal and social policy. The government thus advocates comprehensive tax reliefs for people starting up new companies in the field of technology and production-oriented services. A decision is to be made shortly as to whether this group of persons can be helped with a three-year exemption from income, corporation, and trade tax. Also, people starting up new firms and small and medium-sized companies should be given better access to venture capital.

A three-stage tax cutting concept is announced as an indispensable element for boosting economic growth and employment; it consists of implementing the planned corporation tax reform (abolition of trade capital and property tax, reduction of trade income tax for medium-sized firms, reliefs in inheritance and gift tax) as of 1 January 1997. The second stage consists of lowering the solidarity surcharge from 7.5 to 5.5 percent in mid-1997, which was agreed by the coalition on 29 January. A "tax reform 2000" should be prepared after 1998, which will simplify the system by reducing tax reliefs and at the same time cutting the income tax scale. The coalition's financial policy concept should remain valid, namely a



reduction of the state quota — the share of the GDP used for public consumption — to 46 percent by the year 2000, as was the case until German unification.

The third big field of action described in the action program is the necessary reduction of ancillary wage costs and the reform of the welfare state. According to this, the total of all social insurance contribution rates is to drop from over 41 to below 40 percent of gross incomes by the year 2000. The main points are correcting false developments in the early retirement scheme, which the next round of talks in the Chancellor's Office on 12 February is to discuss, and various cost-cutting measures in the field of occupational disability pensions, the health system (cutting hospital costs, shorter cures), and higher unemployment benefits, which should not be claimed before age 45 in the future instead of 43 at present.

To cut the above-average level of absenteeism in German companies, the program proposes that the days absent should be partially deducted from special payments, such as Christmas and holiday bonuses. In an attempt to open up new fields of employment, the coalition pleads for more attractive fiscal and social-policy framework conditions in employing home helps. Other propositions of the action program concern the fields of structural change and cutting subsidies, competition, education, and professional training, investment in construction and transport, and modernization of public administration.

Economics Minister Rexrodt (Free Democratic Party of Germany), who coordinated the ministries' work on the action program, called it a "decisive step" toward improving production, investment, and employment conditions in Germany as a business location. Finance Minister Waigel (Christian Social Union) stressed that the comprehensive measures do not contain an spending program financed by credits, nor will they amount to a "pro-cyclical saving to death." Labor Minister Norbert Blum (Christian Democratic Union) pointed out that the government will make every effort to stabilize, but not reduce the welfare state. Creating new and competitive jobs will remain the primary aim, Blum said.

#### **Germany: Economic Associations on Bonn Economic Program**

AU0102101696 Duesseldorf *HANDELSBLATT*  
in German 31 Jan 96 p 4

[Report by "pt": "Tax Plans Not Far-Reaching Enough for BDI"]

[FBIS Translated Text] Duesseldorf — Representatives of the economic associations have unanimously welcomed the action program of the FRG Government for

investments and jobs. The Federal Association of German Industry (BDI) paid tribute to the decision on the reduction of the solidarity surcharge, but it demanded that a date be given for its final expiration. Moreover, the tax plans of the coalition are not far-reaching enough for it.

The BDI expects that the announcement of the date of the cancellation of the solidarity surcharge will give an impetus to investment and employment even now. As for the rest, however, the FRG Government's determination to reduce the state quota to 46 percent by 2000 is insufficient. Industry lacks an equally clear definition of the tax quota. The abolition of the trade capital and property tax is not enough. As an incentive for investment, there must be a real relief for the enterprises: a solution that does not change the tax burden is not sufficient. In addition, a decision on the announced large-scale tax reform must not be made as late as in 1998. The objective to create up to 2 million jobs by 2000 cannot be reached in this way, it was stated.

The German Industrial and Trade Association (DIHT) talked of a positive sign for the reduction of the excessive burden of rates and taxes. The presented three-stage plan for tax relief is imperative. It is above all indispensable to abolish the trade capital tax and the property tax, as well as to reduce the trade income tax. "The DIHT expects that the laender will not block the necessary changes," it was stated.

The economy will only emerge from its low if the politicians show resolution and the courage to create general conditions that are favorable for growth. Therefore, the action program must be implemented speedily and without cuts. Otherwise, the Federal Government's growth expectations for 1996 cannot be translated into reality, it was stated.

A weak point in the annual economic report is the expectation that investments by enterprises in Germany will considerably increase again. The arguments given for it disregard the central reasons for a decision in favor of investments: The domestic economic and profit prospects are by no means as favorable as presented without differentiation in the annual economic report. What is more, the profit position is deteriorating because of precipitously increasing social insurance contributions and as a consequence of excessive wage increases. Moreover, above all because of the precipitate wage adjustment, eastern Germany as a whole is still lacking a sufficient profit development. In the DIHT's opinion, as far as investments are concerned, there is currently not simply a wait-and-see attitude that will soon vanish.



The DIHT supports the Federal Government's resolution to establish Economic and Monetary Union. However, the prospect that Germany will also not be able to fulfill the convergence criteria in 1997 unnerves the enterprises, which want to prepare for implementation as early as now.

In the opinion of the Federal Association of German Industrial and Agricultural Credit Cooperatives (BVR), the right words of the annual economic report now have to be followed by speedy action. The central points of the action program are likely to combat effectively the problem of unemployment over the medium term. In the concrete development, a focal point must be the relief and promotion of small and medium-sized enterprises because they are the only ones that can create a significant amount of jobs. Precisely with a view to the confidence of this group it is important that the measures will be speedily implemented and can concretely be perceived, it was stated.

**Germany: Lafontaine Views Economic Policy as 'Failure'**

LD0102100696 Berlin DDP/ADN in German  
0832 GMT 1 Feb 96

[FBIS Translated Text] Bonn (DDP/ADN) — Oskar Lafontaine, the Social Democratic Party (SPD) chairman has accused the government of failure in its economic, financial, and jobs policies. The current figure of 5 million unemployed showed the "political bankruptcy" of a government that has been in charge of the economy for 13 years, Lafontaine said today in his first speech to the Bundestag as SPD leader. The government was responsible for the highest tax rates in the history of the Federal Republic. It no longer had any "vision" but only the "pitiful hope" of keeping itself in power.

Lafontaine accused the government of being "unable to learn." For 13 years the coalition had backed the concept of wage restraint, lowering business taxes and the view that environmental protection damaged the economy. This cocktail had not reduced unemployment but increased it. The government under German Chancellor

Helmut Kohl had to reset its course. The SPD demanded, above all, a coordinated economic, finance, and tax policy. But the main thing was to reduce wage incidentals.

The government's action program was practically the same one it presented last year. As far as the economy was concerned nothing had happened. Even the government in its annual economic report did not believe that unemployment would go down, but calculated an increase of 250,000. Lafontaine stressed that the SPD viewed unemployment as an "attack on human dignity." The government must stop dealing with this problem "in such a silly way." Social democracy meant everyone participating in society and that meant everyone working "who wants to."

**Germany: Waigel Rejects Opposition Charges on Economy**

LD0102102596 Berlin DDP/ADN in German  
0903 GMT 1 Feb 96

[FBIS Translated Text] Bonn (DDP/ADN) — German Finance Minister Theo Waigel has rejected SPD (Social Democratic Party) Chairman Oskar Lafontaine's criticism of the government's economic and job policies. In his first speech to the Bundestag as SPD head, Lafontaine was only able to come up with "old non-sellers," Waigel said in the Bundestag today. Lafontaine should stop blocking and, among other things, help with reforming social and unemployment benefits. Waigel stressed that between 1983 and 1989, 3 million additional jobs were created in Germany. In contrast to this, the SPD policies of the 1970's "with their passing fancies" only led to inflation and unemployment.

If the SPD now wants to contribute to more growth and jobs, then it must vote for the planned reform of business taxes and the lowering of the solidarity supplement (tax to pay for costs of unification), Waigel said. The minister stressed his offer to the laender and local authorities to have a national stability pact; but faced with the need for consolidation, there can be no talk of "saving to death."

**France: Millon Interviewed on Nuclear Tests, Defense**

LD3101142196 Luxembourg RTL Radio Network  
in French 0650 GMT 30 Jan 96

[Interview with French Defense Minister Charles Millon  
by correspondent Michelle Cotta — live]

[FBIS Translated Excerpt] [Cotta] Charles Millon, hello.

[Millon] Hello

[Cotta] The tests are over; Jacques Chirac said so yesterday. This morning, are you breathing a sigh of relief, or are you saying to yourself: It didn't turn out too badly, it could have been worse?

[Millon] I am saying: bravo. Bravo to the soldiers and the scientists who have allowed France to have a 100 percent success rate. The six explosions made it possible to accumulate scientific data to an extent rarely done before. Now, one has to remember that these soldiers and scientists have suspended the tests — have undergone the suspension of the tests — for over three and a half years, and that they managed to perfect tests which are rich in scientific data, which will tomorrow make theoretical discoveries possible, but also simulation — that is, the protection of our deterrent.

[Cotta] We shall get to that. So, were six tests enough for one to say that the French nuclear capability is operational?

[Millon] It is credible, it is trustworthy, and it will make it possible to protect coming generations.

[Cotta] Do you believe Jacques Chirac's decision not to renounce the resumption of nuclear experimentation in 1995 was worth the national and international political turmoil? Was it in the end worth that price?

[Millon] There were the short-term ripples, the emotions of the moment; and now there is the long-term satisfaction; and one can pay tribute to Jacques Chirac's qualities as a head of state, as he was able to take a decision of sovereignty and independence.

[Cotta] How will France now maintain, keep up to date, its nuclear arsenal? What does simulation mean exactly? Are all the tests done indoors?

[Millon] Simulation means we will have a big laboratory which will rely on highly sophisticated scientific tools which the previous government, the government of which Mr. Balladur was prime minister, had launched from the manufacturing point of view; there is Le Palene [nuclear test simulation center], which will be set up in the Bordeaux region and will allow scientists to carry out a number of experiments in the laboratory, which were so far done, shall I say...

[Cotta, interrupting] Underground?

[Millon] ...life-size, either underground or atmospheric.

[Cotta] How can this major change take place if... [changes thought] The tests have just ended. How will it be possible to switch immediately to collective disarmament and to the end — for others — of all nuclear tests? Is this not going to be a difficult change?

[Millon] No. I think the position of France is quite clear. First, France has always supported the Nonproliferation Treaty. Some nations have acquired a nuclear arsenal in the past. These nations have a duty, the duty to achieve balance in the world and to protect all the countries in the world. They are the United States, Great Britain, France, Russia, and China. These countries must know that this is not in fact a creature comfort. It involves a series of duties. There may be a Nonproliferation Treaty, but the nuclear powers have duties too. Second, it is going to be necessary to consider a total ban on tests. France supports the zero option...

[Cotta, interrupting] Honestly, is France going to be in a position to put a total ban on the others' tests?

[Millon] Wait a minute. France has been told off over the last six months, it has been told it really should not...

[Cotta, interrupting] Is it in a position to tell others off?

[Millon] Its response has been: a last series of tests, and then we shall stop. The others are saying: we have stopped, but we are continuing a little. Our response is: No, we must stop for good. This is why we shall now fight for the total ban on nuclear tests not to be a hypocritical treaty, which means that if there is a ban, the ban applies to all tests.

[Cotta] And you believe that France is in a position to say that?

[Millon] I think that France is in a very good position.

[Cotta] Jacques Chirac announced the restructuring of the defense industry in his address yesterday. France has three missile manufacturers and two aircraft builders. You are going to restructure all that. How?

[Millon] By clarifying the situation, by holding consultations on economic objectives and social consequences, and also by taking decisions supported by all. I have started to clarify the situation by ordering audits and social, economic, and legal surveys to be carried out in most of the companies of the defense sector so that the economic partners, the private and the public sectors, unions and employers can be on the same wavelength when discussing a particular issue. This is the first point. Second, we shall initiate consultations so that we can set

up groups in France and in Europe that are able to face up to the aggressive competition of the United States. This is what we can see now.

[Cotta] Does someone like Dassault [arms manufacturer] agree to the restructuring plan, or do you think it will be necessary to convince them?

[Millon] We have started a dialogue with all industrialists, including Dassault, and we have asked them to submit projects to us so that we can create groups able to compete at an international level. Things must be said as they are. When you see how American groups have been created, groups — I was about to describe them as monstrous because of their size — which are crushing all their competitors — either Europe wants to be autonomous and independent, and then it will have to create groups; or Europe agrees to be a ball on the American pooltable, and then it only needs to go on as it is.

[Cotta] I am sorry to deal with this quickly, Charles Millon, but there are other items on the agenda, such as military service. You have suggested various forms of civil service, but all estimates show they cost a lot of money. Is there no contradiction between the reduction of the defense budget, which is permanent, and civil service?

[Millon] This is not really the issue. Military service as it is today cannot meet the requirements of the Armed Forces, which are necessary. These are Armed Forces geared toward deterrence, precaution, and prevention, and, last but not least, projection, as Rwanda and

Somalia have shown, together with the Gulf War and Bosnia. These are professional Armed Forces. Military service is no longer relevant.

Second, military service, which used to be a melting pot for the nation, no longer is, because 25 percent of young French men are exempt from military service, and several forms of civil service have emerged. This is why we are reflecting, and why, together with the president of the Republic and the prime minister, we have suggested that consultations be started on the creation of civic conscription...

[Cotta, interrupting] For about six months?

[Millon] Yes, for about six months — where French youths would be involved in international cooperation, solidarity actions, or security and defense actions.

[Cotta] Do you think there is going to be public controversy... [changes thought] People are going to... [changes thought] Most French people...

[Millon, interrupting] In my opinion, this is a major project, because it has to do with support for the nation, support for the republic.

[Cotta] What about the money this will cost? Does it not matter?

[Millon] Yes, it does matter, but we shall strive for all this to be included into the financial estimate the prime minister has given me. I must say that this financial estimate is very strict. [passage omitted]

**Italy: Speech of Prime Minister-Designate Maccanico**

*LD0102124896 Rome RAI Uno Television Network in Italian 1155 GMT 1 Feb 96*

[Acceptance speech by Italian prime minister-designate Antonio Maccanico at the Quirinale Presidential Palace in Rome — live]

[FBIS Translated Text] First of all, I express my deep gratitude to the president of the Republic for the faith shown in me by giving me the mandate to form a government. I am fully aware of the grave difficulties and the numerous obstacles which have been created by the political and parliamentary situation, and which it is necessary to confront. But I trust in the understanding and the sense of responsibility of the political parties.

It is my profound conviction that at the present time, the forming of a government founded on broad parliamentary agreement is of vital interest to the country. This government, benefitting from an organic relationship with the political parties, must face the country's most urgent problems during the time needed for parliament to achieve constitutional reforms. It is a condition for this government to be able to create a serious, solid, and broad agreement between the political parties, starting with the agreements that have been announced, and with the points of convergence that emerged during the head of state's consultations.

An organic revision of the rules provided in the second part of our constitution is needed. This accord must have as its aim the creation of a system of broad political autonomy for the regions, inspired by cooperative federalism and solidarity, and a notable strengthening of executive power, even through forms of awarding of the authority of the head of state by the people, while respecting the parliamentary tradition of the republic.

It will also be necessary to finish the examination of the provisions for the rules of guarantee, with particular regard to the media.

The government that will emerge from this agreement will have the task of continuing to consolidate the work of cleaning up the public finances, started successfully by the preceding governments; to take measures to reduce the rate of inflation; to enact fully the agreements on the costs of labor made in July 1993; to restart the development of employment, especially in the south; to allow a rapid return to the European Monetary System; and to broaden the frontiers of the market economy within our country.

In substance, it is a question of playing an incisive role during our six-month presidency of the European Union and during the intergovernmental conference,

with regard to the construction of monetary union, a common foreign and defense policy, a common security and justice policy, and on support for a strong continental development policy, in accordance with the line previously followed by the Dini government.

I am sure that there exists in parliament the intellectual and moral force sufficient to allow these guidelines to be followed and for our country to begin a new phase of growth and civil and democratic advancement. Thank you.

**Italy: D'Alema Comments on Appointment of Maccanico**

*LD0102135296 Rome RAI Televideo Teletext in Italian 1321 GMT 1 Feb 96*

[FBIS Translated Text] "Prime Minister-designate Antonio Maccanico's statement seemed very balanced and positive to me." That was the comment from PDS [Democratic Party of the Left] Secretary Massimo D'Alema on the news that the prime minister's mandate had been awarded to Antonio Maccanico.

D'Alema called Maccanico "a man who has the gifts of experience, balance, and competence, a sure guarantee of democracy," and expressed this wish: "We hope that he is successful, we'll see." As for the chances of an agreement [on constitutional reforms], he said: "It is up to the appointed prime minister to find out." D'Alema did not wish to comment on the strongly worded communique that had been issued shortly before by Olive Tree Alliance leader Romano Prodi.

**Italy: Casini Promises Loyalty to Maccanico**

*LD0102134996 Rome RAI Televideo Teletext in Italian 1254 GMT 1 Feb 96*

[FBIS Translated Text] "A high point of balance between the two coalitions" was how the leader of the CCD [Christian Democrat Center] defined the invitation to [Prime Minister-designate Antonio] Maccanico to form a new government.

"The CCD promises its collaboration and loyalty to the prime minister appointed," Casini said. "Maccanico had already been suggested by us in the first consultations with the president, and we are particularly pleased to see how the agreement for a semi-presidential system on the French model corresponds with the choice expressed by the CCD in less uncertain times, even before the political scientist Sartori did so."



**Italy: Competitiveness Chairman Ciampi on EMU**  
 BR0102124296 Milan IL SOLE-24 ORE in Italian  
 31 Jan 96 p 2

[Report signed "M. Cal.": "Ciampi: Europe a Fixed Point"]

[FBIS Translated Text] Rome — Carlo Azeglio Ciampi's reply to the Euroskeptics' demand for a postponement of the third stage of Monetary Union or a revision of the Maastricht treaty is that there is no turning back. Having been invited yesterday to illustrate the second report of the consultative group on competitiveness, of which he is chairman, the former governor [of the Bank of Italy], whom many people consider likely to become prime minister again, said that any change of heart on the road to the single currency would be dangerous. Hands off the Maastricht Treaty, Ciampi said, adding that EMU must be achieved "according to the planned timetable and forms." "Any delay," he warned, "would mean jeopardizing the whole of European building and opening the way to a resurgence of nationalism and barriers."

So according to the former prime minister EMU remains untouchable. And the same goes for the other members of the competitiveness group, whose task is to submit to the European Commission proposals and ideas that will help to make up for the lag that our continent has accumulated with respect to the two giants of the world economy, the United States and Japan. Invited by Giorgio Napolitano, chairman of the Italian section of the European Movement, to illustrate the report, Ciampi pointed out that for years there has been a breakdown in Europe in the relationship between growth and exploitation of the labor factor, parallel to that between the dynamic of labor costs and prices. The high levels of unemployment are the most obvious and serious effect of this breakdown. And it must be corrected by action in several areas, in the awareness that an increase in Europe's economic competitiveness ("competition regarded as a contest without quarter," Ciampi said) can result in a higher level of exploitation of resources.

Napolitano holds the same view. He stressed the need for the countries of the Union to boost growth and the competitiveness of employment as a means of facilitating the transition to a single currency. According to the PDS [Democratic Party of the Left] official, "woe betide us if we confuse the end (European union) with the means (the single currency)". "The emergent and spreading tendency to challenge monetary union is misguided," Napolitano said. On the contrary, it is necessary "to concentrate on growth and to fight for a political government of the European economy as an efficient

institutional actor and as a useful counterbalance to the nascent European Central Bank and the system of central banks."

Having summarized the conclusions of the competitiveness group's two documents, Ciampi revealed the topic of the third report, which will be drawn up for the next Council of Europe session. It will focus on the issue of human resources, costs and standards, and industrial relations. The former prime minister considers this a crucial issue, and he pointed out that, amid all the talk about the novelties emerging from Germany, people ultimately forget the real significance of the 1993 labor costs agreement. That agreement was much more than a mere wage agreement, Ciampi pointed out. He said it is "a serious mistake" to overlook its second part.

**Italy: Article Discusses Seeking Seat on UNSC**  
 96LS0053A Rome LA REPUBBLICA in Italian  
 14 Jan 95 p 14

[Article by Furio Colombo: "No Man's Land"]

[FBIS Translated Text] New York—In New York, if you have a parabolic antenna installed on the roof of your home and oriented toward the ocean, you can watch some of the programs that RAI [Italian Broadcasting Corporation] transmits to the world via satellite. On the evening of 8 January, shut in at home by the snow storm, I was able to watch a "TGI Special," the Bruno Munari program, devoted to a discussion of Italy's world image.

The show's principal panelists—my apologies to the other guests whom I have not identified—were Emma Bonino, one of the Italian commissioners at Brussels; Sergio Romano, LA STAMPA editorialist; and Paolo Filici, Italian representative at the United Nations.

I am moved to write about this, first as an Italian who sees from afar the wax and wane of our image, but also from the viewpoint of the completely new relationship that was created between the United States and Italy (and between Italy and Europe) when the issue first arose as to Italy's presence in or exclusion from the United Nations Security Council. It is a problem that made its existence felt when Beniamino Andreatta and later Antonio Martino were ministers of foreign affairs, and one that continues today, under the leadership of Foreign Minister Susanna Agnelli.

The question raised by the program was whether Italy could remain an interested bystander and let itself be excluded from the recast Security Council. Whether it should accept the will of the United States on this point. Oddly, many Italians seem to think: "Why not? Our



weight and worth are clearly inferior. After all, how can we dare oppose an American decision?"

Since the very inception of this little-debated and scarcely noted problem—Italy in, or Italy out of, the new, soon to be remodeled UN Security Council—the need has fallen on our foreign minister to explain, and sometimes take a determined stand as Susanna Agnelli did, resolutely, after a boorish gesture on the part of Chirac toward Italy. I hope that last evening's "TGI Special" made clear to many viewers that those who represent Italy at this time in the United Nations have no intention of being sidetracked from the mission that has been entrusted to them—Italy cannot be excluded—and that the viewers have understood the reason why the damage, which some imagine to be only to our self-esteem, would be serious for many reasons. I have mentioned that Emma Bonino was in the studio. I believe that many in Italy admire her for the impassioned and unrestrained elan with which she carries out the missions the government assigns to her, and those she assigns to herself out of moral conviction, such as the campaign against the death penalty. Emma Bonino reminded Fulci of the near-success they had together in the UN: Her fervor and Fulci's structured tenacity almost overturned the UN position on the death penalty, falling only four short of the needed votes to do so. A signal victory, that would have left a mark, eluded them by a hair's breadth.

But the memory of that event gave occasion to Paolo Fulci, representative of a diplomacy made of unyielding

strategies and not of rituals, to assert: "In order to count, morally as well, our image must be staunchly and clearly defined in the eyes of the other countries." This, in a way, clarifies the scope of the mission that Italy has entrusted to Fulci: Say no to a United States that wants Germany and France in the Security Council but not Italy.

To accomplish it, the UN Assembly has to be mobilized, the entire process made more democratic and participative, the founding-father aristocracies toned down, and the situation averted in which a few countries—and only those countries—hold the keys to the world.

One of the questions posed to former Ambassador Sergio Romano was: "Is Fulci right in following this line so obdurately?" Romano replied cautiously: "Within the United Nations, yes. But we must project a winning image also in other contexts."

Fulci's answer to that was clear-cut: "We would have won on the highly moral issue of the death penalty as well, had we had an active role in the UN."

The interviewer asked Fulci: "How do the German and French Ambassadors react when you meet?" The answer was simple: "If we were to acquiesce in our exclusion, in meek silence, they would not respect us." It is a policy that does not sell out our future. But it still awaits determined support by the media and by Italian public opinion.

**Portugal: Report on Guterres Efforts To Pass Budget***BR3101143396 Lisbon DIARIO DE NOTICIAS in Portuguese 27 Jan 96 p 5**[Report by Paula Sa: "PSP Pressures Guterres"]*

*[FBIS Translated Excerpt]* At the lunches which he has held with the three opposition leaders — Carvalho of the PCP [Portuguese Communist Party], Monteiro of the Popular Party, and Nogueira of the PSD [Social Democratic Party] — with the state budget on the menu, the prime minister confronted them with the results of an opinion poll which gives him an absolute majority — between 54 and 56 percent — if he were to fight new legislative elections. And he gave even more figures: The PSD would win 24 percent (10 percent less than at present), and the PCP and the Popular Party would fall to 4 percent. An argument which Guterres used in an attempt to secure the abstention of one of the groups, capable of causing the 1996 state budget to be safely approved.

But if the head of government seems concerned with making the state budget viable, in the Socialist Party the pressures are very strong for Guterres to take the opposite course. Many Socialists do not understand the head of government's holding all the trumps for winning the absolute majority which eluded him in October and not playing them.

It was in this connection that there emerged the idea of a motion of confidence in the government if the state budget ended up going through just because of mere expedients on the opposition's part, such as some deputies' absences during the voting on it. According to what DIARIO DE NOTICIAS has learned, Guterres has ordered the proponents of that radical course, which would place the opposition with their backs against the wall, to keep quiet. *[passage omitted]*

**Portugal: Bank Director on Impact of Euro on Economy***BR3101142196 Lisbon EXPRESSO (ECONOMIA section) in Portuguese 27 Jan 96 pp 1, 6*

*[Interview with Bank of Portugal Director Abel Mateus by Luis Tiberio in Brussels; date not given: "Single Currency Will Have Favorable Impact on Employment"]*

*[FBIS Translated Excerpt]* "Unemployment is not a consequence of the progress toward the single currency. In the long term, I even believe that the main impact on employment in Europe will be favorable, not adverse." Bank of Portugal Director Abel Mateus asserted in an interview with EXPRESSO during the roundtable with which the European Commission launched the

information campaign about the single currency this week.

Abel Mateus, who is in charge of payment systems at the Central Bank, also analyzes the costs and benefits of Portuguese banks' adjustment to the future Euro, and he believes that the business resulting from the restructuring of assets will bring the banks a great deal of money. *[passage omitted]*

*[Tiberio]* There has been discussion as to whether the Portuguese banks should or should not be preparing for adjustment to the Euro, and what the costs of its introduction for our banks will be.

*[Mateus]* No thorough discussion of these problems has as yet been conducted in Portugal, unlike the Germans, who have already been doing so with the banking sector. The Portuguese banks will have to start working more seriously on that adjustment. The Bank of Portugal has set up a committee (formed a few months ago), which will now start working in greater depth on the introduction of the single currency. The computing and payment systems must be changed — major changes will have to be made from the ATM's to the banks' accounting systems (with complicated problems, because, in fact, two accounting systems will have to be maintained during a transitional period) — and bank personnel will have to be trained to work with the single currency.

*[Tiberio]* There are other important implications...

*[Mateus]* Yes. With the exchange rates between the escudo and the European national currencies disappearing, there are various departments which will have to be reorganized (in the foreign department); many posts will disappear among the foreign exchange dealers, who will start working in the Euro against the dollar or the Euro against the yen, which will be the main currencies. And other products linked to escudo interest rates or exchange rates — financial or money market products — will disappear. There are a number of very important changes in banking here...

*[Tiberio]* The Portuguese banks tend to believe that this will only generate costs. On the other hand, the predominant line here (at the roundtable on the single currency) is that this is an investment...

*[Mateus]* I would say that it is both. There are benefits and costs. There have been several studies by international consultancy agencies on the matter. There is no doubt that there will be costs in terms of computing, training personnel, and restructuring banking. But there are also benefits, because the money market will be enlarged. There will be a greater integration of the stock markets; there will be a much larger market in bonds

issued by the state (which will be placed much more easily anywhere in the world); and there will be changes in portfolios — people will now be able to invest in truly European, not local, financial instruments. And all that business resulting from the restructuring of assets is something that will generate a great deal of financial activity and produce a great deal of money.

[Tiberio] Has the Bank of Portugal already made any assessment of those costs?

[Mateus] No, but I am not very concerned about that because I have an actual experience, namely a major transactions payment system which should enter into operation in February or March. This infrastructure, which will support the "bulk" Euro markets, cost around 1.2 million contos (1 conto = 1,000 escudos).

What is really necessary is to conduct timely planning, so that the banks will not be caught out at the last minute by a process of this kind.

[Tiberio] How do you interpret the fact that [former EU Commission President] Jacques Delors said very clearly yesterday in the interview with the SUD OUEST newspaper that he doubts that Economic and Monetary Union will be effected in 1999?

[Mateus] I believe that Delors is talking right now like an ordinary citizen who has no responsibilities.

[Tiberio] But a particularly well informed citizen...

[Mateus] Obviously. It is natural for people to be worrying in view of the current situation in Europe, which is characterized by a lack of clarity in economic policies. However, an important step was taken at the Madrid summit. Timetables and dates were spelled out, and as several participants said here today, failure to introduce the single currency would be a defeat for the European integration project, which would indeed have extremely high costs in the medium and long term. The introduction of the single currency remains right now the main project for European integration.

[Tiberio] For your part, do you not have the same doubts as Delors with respect to 1999?

[Mateus] I have no doubts with respect to the date... unless there are major changes at the political level — for instance, a substantial change of government in Germany. But if the basic political factors remain unchanged, I believe that Economic and Monetary Union will be effected 1 January 1999. With which countries, that is still an unresolved question.

**Spain's Bank Chief: EMU 'Not Altogether Certain'**

BR3001135596 Madrid EL MUNDO in Spanish  
29 Jan 96 p 45

[Unattributed report: "According to the Bank of Spain Director General, 'It Is Not Certain That EMU Will Be Implemented as Scheduled in Maastricht'"]

[FBIS Translated Text] Madrid — "Implementing the single currency is posing technical, legal, and political problems, and it is not altogether certain that it will eventually be done as provided by the Maastricht Treaty," Bank of Spain Director General Luis Linde wrote in an article on the development of currency markets, published by Fies Foundation magazine PAPELES DE ECONOMIA [ECONOMIC PAPERS].

According to an EFE news agency report, Linde believes it is "very probable" that the situation emerging in the EU after the beginning of monetary union in 1999 will lead to the signing of an agreement between the countries adopting a single currency and those who do not. The agreement will enable creating "an exchange stability zone" in the EU as a whole.

The Bank of Spain's director general also predicts that such an agreement will have to include "very similar elements to those contained in the European Monetary System's exchange rate mechanism," in line with the proposal made already months ago by Bank Governor Luis Angel Rojo and backed, among others, by Italian Prime Minister Lamberto Dini.

Such an agreement would ensure stability between the "single currency area and the other remaining currencies in the EU," Linde analyzes the possible repercussions of several major EU countries being left outside monetary union and, as a result, their economies retaining the exchange rate instrument. In the opinion of the Bank of Spain's director general, this would "seriously" affect "the incipient single market and, indirectly, monetary union itself."

According to Linde, a monetary Union in which not everybody takes part can break "a basic principle of the EU, namely, the one guaranteeing that the process of integration should be shared by everybody."

Linde thinks that doubts about monetary union's ultimate realism, its contradictions, and its negative effects are considered "legitimate," given that this experiment has no historical precedents and that "we have reached a point where, if we do not have a single currency, we may experience setbacks in the economic union and the single market."

**Spain: Unions Warn of Social Spending Cuts Trend**

BR3101151796 Madrid EL PAIS in Spanish  
31 Jan 96 p 43

[Report signed "C.P.": "General Workers Union and Workers Commissions Reject European Governments' Backing for Convergence at Cost of Social Expenditure"]

[FBIS Translated Text] Madrid — The Spanish UGT [General Workers Union] and CCOO [Workers Commissions] trade unions, like the German trade unions, rejected the measures approved by Kohl's government yesterday, which they deem "inconsistent" with the pact for employment announced last week. They also expressed their concern about "the European governments' backing for a convergence at the cost of reducing social expenditure." Toni Ferrer, responsible for the UGT's action strategy, believes that the package of measures now approved by the German Government includes "everything that was called into question by the French revolt," and that it will serve them as a "warning which forces us to be very vigilant" in case that is applied in Spain.

In the UGT leader's opinion, those formulas of "deregulation and lack of social protection do not create jobs, and that has already been proved." He also highlights "the paradox that the United Kingdom's employers' confederation has recommended stimulating consumption through an increase in wages and greater worker participation." Toni Ferrer believes that that shows considerable confusion among the European leaders, since Britain is the country which opened up "the path of deregulation, and now finds that that has not created jobs or improved the country's position." In view of all that confusion, which, in his opinion, is "worrying," the trade unionist believes that the Spanish parties should spell out their programs clearly, so that citizens will know for what they are voting 3 March.

Angel Campos, CCOO secretary for communications, asserts that there is "an inconsistency between what was agreed between the trade unions and the German employers' organization and what is being practiced," and also describes it as "worrying" that that agreement should be called into question through unilateral measures. He describes the plan approved by the German Government as "opting for considerable conflict," which could spread to other Community countries. Campos adds: "This forces the European trade union movement to undertake a major mobilization. Following the German and French experiences, we see that there is a desire to achieve convergence through a cutback in social expenditure and the lifting of taxation of business incomes."

**Spain: Gonzalez Presents Election Program**

LD2901135796 Madrid RNE-1 Radio Network  
in Spanish 1200 GMT 29 Jan 96

[FBIS Translated Text] At a press conference, Felipe Gonzalez is describing the broad outline of the electoral program which the PSOE [Spanish Socialist Workers' Party] will present in the general elections [of 3 March]. In this appearance before the media, Gonzalez has described as doubtful speculation the reference [by opposition politicians] to words in which he is supposed to have criticized the fact that the Supreme Court has decided to try Jose Barrionuevo in the midst of an election campaign. According to Felipe Gonzalez, he made no reference and no allusion of the kind. Maria Jesus Chao summarizes what Felipe Gonzalez has said so far:

[Chao] We can go over to our colleagues at the headquarters of the Spanish Socialist Workers' Party. I think Jose Luis Garcia del Pozo is there. Hello.

[Garcia del Pozo] Yes, hello. The press conference is now ending. As you said, Felipe Gonzalez described as speculation the comments made by opposition groups and some judicial circles regarding his words in the federal committee, in which he said charges have been read against Barrionuevo in the midst of a process — when parliament has already been dissolved. Here are Felipe Gonzalez's words:

[Begin Gonzalez recording, speaking at news conference from PSOE headquarters in Madrid] Somebody made a comment regarding the fact that for the first time, a decision has been taken by the Supreme Court — or by the examining magistrate of a case in the Supreme Court — during the period between the dissolution of parliament and the holding of elections; I demanded respect — even [words indistinct] — for the independence of the judicial authority and the action of the magistrate himself. Therefore, why does one hear, as I have heard, statements by political leaders, and even members of the judicial authority, which are based on nothing more than absolutely doubtful speculation? To what does it correspond? Does it really correspond to a desire to politicize justice? Let them say so quite clearly. [end recording]

[Garcia del Pozo] At the same time, Felipe Gonzalez asked that the campaign, instead of debating this sort of subject, to focus on programs, and defended the one which the socialists will present for 3 March, containing a number of aims: job creation, business competitiveness, defense of the welfare state, an effort to integrate women into society, the fight against exclusion and marginalization, the defense of nature — with special emphasis on the water issue — and the maintenance and completion of the general plan for infrastructures.



### Norway

#### Norway: Kosmo Concerned No Longer NATO Priority

BR0102103396 Oslo AFTENPOSTEN in Norwegian  
31 Jan 96 p 6

[Report by Morten Fyhn: "Military Stockpiles in Norway Being Emptied"]

[FBIS Translated Text] Germany has cancelled two agreements on the contingency stockpiling in Norway of fuel for its Navy. It is also emptying other stockpiles.

Interest among Norway's main allies in NATO to earmark forces, stockpile equipment for contingencies, and participate in maneuvers here in Norway is steadily falling. Following previous reductions made by the United States and Canada, now it is Germany's turn.

"Germany has cancelled agreements on two stockpiles of fuel in Sorvestland. The stockpiles in question are now being wound down," Defense Minister Jorgen Kosmo told AFTENPOSTEN.

Kosmo, who does not want to dramatize the issue, said that Norway has not offered to pay for the stockpiles itself, as it did when the United States wanted to empty its stockpiles. According to the defense minister, Germany believes that because of the changed security policy situation it no longer needs advanced stockpiles in Norway. In addition there is the need to cut spending.

"The German stockpiles are not primarily intended for the direct defense of Norway, like the U.S. equipment is. Germany was afraid that its own stockpiles might be cut off in the event of a conflict in the Baltic Sea region and wanted to set up stockpiles in Norway. This is why Norway has seen no need to take over the stockpiles itself. Fortunately the threat scenario has changed in such a way that it is now unlikely that the Baltic Sea region will become a theater of war," Kosmo said.

The defense minister pointed out that Germany still has other military stockpiles in Norway and that the agreements covering these have not been cancelled. "But these stockpiles are also being gradually emptied, and will not be topped up. It is mainly bunkers that are involved," he said.

#### Contribute More

Is our allies' interest in Norway in short supply?

"Yes and no. It is obvious that Norway as a country on NATO's flank still has some importance, even if this importance has diminished," Kosmo said. He also stressed that Norway has for many years been a net recipient of NATO funding for infrastructure, but that

we are now contributing more than we get in return. "This shows quite clearly that Norway is not regarded as an area that is being given priority in the first line of defense, and that worries me," Jorgen Kosmo said.

### Sweden

#### Sweden: Leaders Discuss Views on NATO Membership

BR0102124796 Stockholm DAGENS NYHETER  
in Swedish 31 Jan 96 p A9

[Report by Kaa Eneberg: "Door to NATO Opened"]

[FBIS Translated Text] Salen — In the present situation it would serve neither Swedish interests nor stability in Europe for Sweden to seek NATO membership. But if the situation is judged differently in 6 or 7 years' time, things could be reconsidered then.

This was the security policy testament which Prime Minister Ingvar Carlsson formulated on Tuesday [30 January] in the presence of just over one hundred defense experts and other interested parties.

The forum was the winter conference of the People and Defense association. The reason for this unexpected opening in an otherwise traditional speech was the opinions of all the foreign experts, led by U.S. security policy expert Dr. Gregory Treverton, who on Monday recommended NATO membership as the best solution for Sweden.

The American said that the U.S. Government, even during the temporary chill in the 1970's, saw Sweden as the sixteenth NATO member.

"To begin with, I would like to make it clear — to avoid any understanding—that membership is not on the agenda today. It is important to give clear signals about what applies, and I am doing that now," Ingvar Carlsson said.

#### Loaded Issue

It was a prime minister who was clearly reinvigorated by the upcoming changing of the guard who waded into a debate with the youth wings of both the Liberal and Moderate Coalition Parties on the otherwise so sensitive subject of NATO membership.

On Sunday Defense Minister Thage G. Peterson again demonstrated that it was a loaded issue when he stated firmly that the only response a party in the parliamentary defense commission would get if it wanted to discuss joining NATO would be a rejection.

Ingvar Carlsson stated that Sweden respects the fact that other countries are opting for NATO membership

for their security, but he expressed the hope that the Swedish decision not to do so would meet with the same degree of respect.

He expressed concern over developments in Russia, about which he said that predictions can only be made "six months at a time." He also thought that Russian warnings against NATO expansion are worth taking into consideration.

#### **Enlarged EU Important**

Precisely because of the uncertainty, the fact that Russia is participating in the peacekeeping work in Bosnia under NATO command along with Sweden and other countries, is that much more important.

"Russian participation is important for the development of a pan-European security order. This work seems even more urgent against the background of a hardening foreign policy line in Moscow," he declared.

The enlargement of the EU is a necessary precondition for a European security order, the prime minister said, stressing that the EU's common foreign and security

policy is an important instrument for the creation of a lasting order of peace.

On the controversial subject of NATO expansion Ingvar Carlsson pointed out that the NATO which is leading the activities of IFOR (Implementation Force) in Bosnia today, is not the same organization the defense alliance was before the end of the Cold War.

#### **More Power for the United Nations**

"In six to seven years NATO will presumably have changed even more," said Ingvar Carlsson, who went on to say that Sweden would then have to consider the new situation before reviewing its position.

He also called for members to give the United Nations more power and the secretary general the 10,000-man standing reaction force which he has requested. With such an arrangement major conflicts could be avoided if the force is able to act in time. He cited both the Gulf War and Bosnia as examples of crises which were allowed to escalate while waiting for action.

**Cyprus: Considers Expediting Unified Defense Doctrine**

NC0102122696 Nicosia Cyprus Broadcasting Corporation Radio Network in Greek  
1130 GMT 1 Feb 96

[FBIS Translated Text] Government spokesman Ioannis Kasoulidhis said that the Cyprus Government is considering the need to expedite the implementation of a unified defense area doctrine, echoing the Greek-Turkish crisis in the Aegean. Kasoulidhis also noted that—in the event of an alleged controlled crisis—those who think that a solution would be to force the two sides to sign something, will be disappointed. He pointed out: This is because such a solution would collapse and cause more complications.

**Cyprus: Report on Turkish Army Movement During Crisis**

NC3101194996 Nicosia CyBC Television Network in Greek 1830 GMT 31 Jan 96

[FBIS Translated Excerpt] [passage omitted] Asked if the government is concerned with the possibility of another crisis directed by the Turks to drag the Greek Cypriot side to talks on Cyprus, government spokesman Ioannis Kasoulidhis said:

[Begin Kasoulidhis recording] Let us study the various possibilities, take the necessary precautions, and handle such issues coolly and with faith that we can deal with anything that comes up. [end recording]

CyBC [Cyprus Broadcasting Corporation] reveals that during the night, the occupation army advanced tanks toward the Attila line. After this development and because of the Aegean crisis, the National Guard implemented the plans provided within the framework of the joint defense doctrine to deal with the crises. Correspondent Petros Konstantinou reports:

[Begin recording] [Konstantinou] All the plans that are provided within the framework of the joint defense doctrine were activated last night to deal with any possibility arising from the situation in the Aegean. Defense Minister Kostas Iliadhis said that while the Aegean crisis was developing, the situation was observed in coordination with Greece as is provided in the joint staff plans.

[Iliadhis] The National Guard operated within a framework that was satisfactory for the safety of the Republic of Cyprus.

[Konstantinou] Did we have any information on incidents in Cyprus?

[Iliadhis] We cannot comment on this issue.

[Konstantinou] Intense activity by the Attila [the Turkish Forces in Cyprus] in the occupied areas was observed last night. Divisions and armored vehicles were moved along points on the confrontation line and tanks were moved from the occupied Famagusta port toward Nicosia. Based on information in the hands of the security authorities, the tanks that were moved from Famagusta to Nicosia are part of the 100 M48-A5 tanks that were brought into Cyprus from Turkey in the past few days. The National Guard followed closely the Aegean crisis and the Turkish moves in the occupied areas. The defense minister went to YEEF [National Guard General Staff] at 0200 [0000 GMT] today and National Guard Chief, Lieutenant General Vorvolakos, briefed him on the situation. They were in the operations room and had continuous contact with the officers in Greece who were briefing them on developments minute by minute. [end recording]

**Cyprus: North Believes EU Representative Cannot Help**

TA3101162696 Nicosia Bayrak Radio in Turkish  
1130 GMT 31 Jan 96

[FBIS Translated Text] The Turkish Republic of Northern Cyprus [TRNC] Foreign Ministry has said that the special representative attached to the EU term chairman's office cannot contribute to the efforts for a solution of the Cyprus problem.

A written statement issued by the Ministry of Foreign Affairs and Defense today says that the efforts to find a solution to the Cyprus problem were conducted until today within the framework of the UN secretary general's goodwill mission and between the leaders of the two communities. It is recalled in the statement that the Turkish Cypriot side is opposed to negotiations outside this framework. The statement says: It is obvious that a lasting and just solution can only be found by respecting the principle of equality between the two sides.

The Foreign Ministry statement says that the Greek Cypriots are trying to carry the negotiation process to other platforms and shun direct negotiations. It adds that the negotiation process reached a deadend when the Greek Cypriots unilaterally tried to join the EU and posited certain preconditions regarding this issue. It recalls that a declaration signed by Turkey and the TRNC on 28 December says that if agreement is reached on vitally important issues, the conditions for membership in the EU can be discussed separately.

The statement says that if the EU wants to help solve the Cyprus problem, it must stop supporting the Greek Cypriot side, and must respect the legal and political

equality of the two sides. It says that so long as discriminatory acts continue, such as the EU Court of Justice rulings, the Turkish Cypriots cannot trust the impartiality of the EU. It also recalls that according to the 1960 partnership agreement, Cyprus cannot become the member of an organization of which Turkey and Greece are not both members.

The statement says that given the stand of the EU so far, the Turkish Cypriots believe that the EU special representative cannot contribute to the solution of the Cyprus problem.

**Cyprus: Denktas on Governmental System, Arms Buildup**

NC3101204396 Istanbul NOKTA in Turkish  
28 Jan 96 pp 60, 61

[Text of interview with Turkish Cypriot leader Rauf Denktas by staff correspondent Mesut Gunsev in Nicosia; date not given]

[FBIS Translated Text] [Gunsev] Economic problems in the TRNC [Turkish Republic of Northern Cyprus] seem to be the worst in the republic's history. Demonstrations are being held to protest the high cost of living and rising prices practically every day. The failure to find a solution to the Cyprus problem and the developments in domestic politics have created a pessimistic atmosphere. People in the street are frustrated. They blame Rauf Denktas for the present situation. Meanwhile, the present administrative system has been debated at various platforms during the past few days. Does the TRNC plan to adopt the presidential system?

[Denktas] Something seems to be forgotten. We adopted the presidential system in the past. An effort was made after the peace operation in 1974 to create a parliamentary system in our federal state. The president would have significant powers within that framework, as is the case in France. The draft that was submitted to the constituent assembly called for the establishment of a Gaullist regime. I established during the debate on the matter that the opposition's proposal for the adoption of the parliamentary system was preferred. A draft constitution was drawn up, regardless of the warnings that were made by our colleagues. It called for the adoption of the system we have at the present time, which is very close to a parliamentary system. There was something that should have been done at the time. We should have asked whether the parliamentary system was preferred. If so, then we should have excluded the provision saying that the president is elected by the people. We should have replaced it with a provision that would call for the election of the president by the Republican Assembly. That would

have limited the president's duties to matters related to protocol. Nevertheless, Turkey was right in insisting on an effective system. So, we had to consider both. It was believed that the administration would be more effective if the government cooperated with the president, who would be elected by the people. So, the system was adopted.

The system's deficiencies and shortcomings came to light by 1981. Furthermore, a disagreement emerged between the president and the prime minister. The president asked the government to give priority to measures which would enhance the state. However, the government failed to adopt them because it was either concerned with the ruling party's internal affairs or had other reasons for not doing so. In fact, it adopted decisions that completely conflicted with the president's approach from time to time. What we have at the present time is a populist administration, which is described by many people as a system of flattery. Its objective is to satisfy the people in order to win the elections. Consequently, our budget is now unable to bear the burden of the past. Effective decisions have not been adopted and we have been unable to quickly achieve our objectives. So, confusion exists. I believe that it is normal for the people to expect me to work to fulfill various tasks. That is because the president is elected by the people. However, I will no longer agree to be the target of unjustified accusations.

I do not have the authority I need to realize my objectives. Nor do I have the authority I need to do things which I believe the people want me to do. The matter clearly came to light during the last elections we had in the north. Considering the people's demand for a more effective administration, I said that we will debate the system after the elections. I hoped that a large group of parliamentarians would support me to fulfill the people's demands. However, I believe that the parliamentarians are convinced that the present system can be maintained. They want to give it another chance.

Meanwhile, the presidential system should not be regarded as a magic wand. It must not be expected to solve all the problems. That is out of the question. However, it is a fact that it is a more effective system. The Republican Assembly has to work in harmony. Otherwise, nothing can be achieved. So, a consensus is essential. The situation has to be calmly assessed and all the parties have to agree that "the system has to be changed." The matter cannot be realized by force. Nor can it be realized through the pressure by one of the sides. The majority must feel the need for change and act accordingly. Considering that, I want to reiterate that the necessary measures have to be taken to remove the burden on the next president. His hands will be tied, regardless



of the fact that he will be elected by the people. He will be blamed for everything but will be unable achieve anything. That must not be the case anymore, since it is a state of affairs which will place the new president in a very difficult situation.

The present system is a complex institution. If the parliamentary system is to be adopted, then it must be adopted as a whole.

I have called for the removal of an abnormal situation. Several elected deputies are asked to serve in the executive system. Their places in the parliament must be filled by candidate deputies. That will guarantee the separation between the executive and the legislative bodies. Some 10 or 11 deputies serve in the government. However, they maintain their right to vote in the Republican Assembly. Considering that, how will the Republican Assembly control the executive organ? That is very important. So, I believe that the presidential system, which has been effectively tested, is the appropriate system for a small country like the TRNC. The same system exists in south Cyprus. The people must be aware of that. There will not be a need for coalitions and political parties will not quarrel over who the prime minister should be if the presidential system is adopted. Furthermore, time will not be wasted, the executive body will work, and the president will be able to appoint officials to specific posts. He will not appoint ministers in accordance with political requirements. He will not ask anyone to serve as a minister because he may be able to attract votes. The ministers will maintain their positions in accordance with the success they achieve in their work. They will be replaced if they are unsuccessful. That process will not create a government crisis.

[Gunsev] Mr. President, I want to ask a question on foreign policy. The Greek Cypriot Administration has spent \$2 million to buy arms every day. It has drawn up a new 5-year program for its arms purchases. It has allocated 1 billion Cyprus pounds (nearly 115 trillion Turkish lira) for the purchase of missile systems and tanks. Greek Cypriot officials are reported to have contacted U.S. and Russian officials on the matter. The Greek Cypriot side began its rearming campaign when Yeoryios Vassiliou was in power. However, the Greek Cypriot Administration has informed the world that it is ready "to agree to demilitarization and use the funds

it allocates for arms to improve the economy." How sincere is it? Can you comment on its arms purchases?

[Denktas] The Greek Cypriot side's intentions on Cyprus have to be considered so that whether or not it maintains a sincere approach can be established. We are confronted with a side which has obstructed the establishment of a federation, regardless of the fact that it agreed to it in the past, disclosed at every opportunity that it does not believe in the establishment of a federal system, persistently called for the establishment of a unitary state, and maintained the concept of a unitary state in all the documents it conveyed to UN organizations. We are well-aware of its policy. The Greek Cypriots regard Cyprus as a Greek island. They have said that they will liberate the homeland. Who they will liberate it from? Obviously, from the Turks. Well, what are we? We are Turks. Where do we live? Liberating Cyprus from Turks means that they plan to have us live as stateless people. They have maintained that policy since 1963 and recently took steps to apply it more effectively. That is why they buy arms.

Greece has armed the Aegean islands in contravention of the Lausanne Agreement. Cyprus was the only island that was not armed. Greece is now fortifying Cyprus through the Greek Cypriots. The Cyprus Republic's flag is used to camouflage the process. The fortification of the island is against Turkey. That must not be forgotten. The reason for that is Turkey's strong position on the island. Greece fears that it may lose the remaining part of Cyprus if it makes irrational moves in the Aegean. So, it is trying to fortify its front in Cyprus. Obviously, it intends to make an irrational move in the Aegean.

[Gunsev] When can such action be expected?

[Denktas] Greece and the Greek Cypriots should be expected to show their teeth and use their arms to make threats when they are informed that "Cyprus has joined the EU as a whole." That is when I expect them to take action. The Greek-Greek Cypriot arming campaign is a sign of madness. They cannot compete with Turkey. Nevertheless, it will be useful if it gives the necessary message to the Turkish Cypriot side and foreign countries, the message that the Greek Cypriots do not intend to establish a partnership with the Turkish Cypriots in Cyprus.

**Greece: Simitis Receives Vote of Confidence**

*NC3101224496 Athens ET-1 Television Network  
in Greek 2234 GMT 31 Jan 96*

[Announcement by Chamber of Deputies Chairman Apostolos Kakiamanis on the outcome of the vote of confidence for Prime Minister Konstandinos Simitis' government at the Chamber of Deputies in Athens—live]

[FBIS Translated Text] Out of 292 deputies who voted, 166 deputies gave the government a vote of confidence, 123 deputies refused to give a vote of confidence, and three deputies voted present. Therefore, the government received a vote of confidence by the Chamber of Deputies according to Article 84 of the Constitution and Article 141 of the Chamber of Deputies rules. The session is now adjourned with the agreement of the body.

**Greece: Simitis Statement at Vote-of-Confidence Debate**

*NC3101231896 Athens ET-1 Television Network  
in 2148 GMT 31 Jan 96*

[Statement by Prime Minister Konstandinos Simitis at the Chamber of Deputies during the debate on the vote of confidence—live]

[FBIS Translated Excerpt] Ladies and gentlemen colleagues. The discussion on the new government's policy statement was held in an atmosphere that was formulated and defined by recent incidents, which were characterized by Turkish intransigence. I want to make it absolutely clear that the timing of these incidents is no accident. These activities are being prepared in advance and are launched aiming to force us to retreat from the country's firm positions, to destabilize our political system, and to weaken national cohesiveness. Those who attempt to do this are knocking on the wrong door.

The Greek Government's reaction safeguarded the country's interests by avoiding vain sacrifices. The Greek Government moved between those who speculate on patriotism and war and those who want to drag Greece to talks on supposed differences that Greece never recognized. All those aimed to cancel a new course at its outset. A new course that bore hopes and expectations for the Greek people. A new course that was accepted by the large majority of people. It seems that this new reality that characterized the country frightened everyone who wants the country to be led toward a deadlock and inflexibility. This new reality led the opposition party to the unacceptable act of withdrawing from the Chamber of Deputies. It was an act that was accompanied by inarticulate screams in

an effort to cover up its own responsibilities for the problems in foreign policy and the country's delay. It was an act that had no other purpose than to create impressions. [passage omitted]

The new facts and developments force us to reconfirm and enrich our national strategy and chart a cohesive foreign policy that will take into consideration developments in the international economic and political environment. A foreign policy that will be able to deal with new problems and pressures such as these is being created for the long term.

We dealt with developments successfully. We chose the solution of deescalation, safeguarding peace, and maintaining intact all of the country's sovereign rights. We avoided getting trapped in the opponents' game. Even a victory in a war, which would have left victims, would have led to negotiations on nonexistent differences. We avoided the danger of negotiations, of getting involved in discussions on nonnegotiable issues.

The various speculators on patriotism who began beating the war drums must tell us at last what they wanted—when they recently decided to sell these rocky islands. At the same time we refused the reasoning of others who wanted a more general discussion in order to help developments in Turkey's domestic situation. I want to make it absolutely clear that with its stance and provocativeness, Turkey cannot be a country whose pursuing accession to the EU will become reality. Turkey must understand that Europe is a space of creation and cooperation, not clashes.

The Greek Government and I personally will undertake specific initiatives to brief all of the European Governments so that they assume their own responsibilities within the framework of communal solidarity and co-responsibility.

We did not accept the role of referee from anyone during the crucial hours that passed. We recognized Clinton's contribution in the defusion of tension. It is wrong to link this recognition with pre cold-war period memories or with accusations about foreign policy. And even more so when this is done by those who were followers of a blind attachment to a specific country and specific party. We look forward to a relationship of friendship and cooperation with the U.S. Government and we pursue new activities to become a factor in developments and a pole of reference in the geopolitical map that is being formulated in our region. But, this does not mean that we accept any statement on the crisis by any U.S. official. I want to emphasize that we did not discuss the flag issue with Mr. Holbrooke. The Greek Government maintains the right to hoist flags anywhere, anytime, and in any way it wants. [applause]

We believe the recent incidents will reinforce the trust of the citizens toward the government because of the responsibility and seriousness we demonstrated.

Ladies and gentlemen, we are ready to follow the road we have charted with our policy statement. We are ready to implement what we have preannounced because this is the beginning of a new era. [passage omitted]

#### **Greece: Cabinet Ministers Criticize Simitis Speech**

NC3101213396 Athens ET-1 Television Network in Greek 1600 GMT 31 Jan 96

[Report by Roula Kambouryianni]

[FBIS Translated Excerpt] [passage omitted] Many ministers asserted that Prime Minister Konstantinos Simitis should not have used the Chamber of Deputies floor to publicly thank the U.S. Government. [Agriculture Minister Stefanos] Tzoumakas, [Health and Welfare Minister Anastasios] Peponis, [Justice Minister Evangelos] Venizelos, and [Transport and Communications Minister Kharalambos] Kastanidhis are among these ministers. Some of them, such as Venizelos and Tzoumakas said the Council of Political Leaders should have been convened so as not to allow New Democracy [ND] Chairman Miltiadhis Evert and Political Spring Chairman Andonios Samaras to speculate about patriotism.

Venizelos said the Council of Ministers should have convened yesterday, because some positions that were heard from the Chamber of Deputies floor do not represent government policy. He said: It is incorrect to hear from the Chamber of Deputies floor that a war is meaningless because it will lead us to the negotiating table. This position weakens us, not militarily but diplomatically.

[Unidentified reporter] Was the issue of resignations raised at the KISEA [Government Council on Foreign and Defense Affairs] meeting?

[Kambouryianni] No, such an issue was not raised. Everyone confirmed this, including Dhimotrios Reppas [the press and mass media minister and government spokesman] and other cabinet members with whom we talked. Let me note that everyone agreed that it must be investigated if some people within the army are responsible for the deployment of the Turkish commandos on a rocky islet within the Imia group.

[Reporter] Let us hear Reppas' remarks.

[Begin recording] [Reppas] All colleagues at the Council of Ministers expressed full support for the moves made by the prime minister and the ministers who participated at the well known meeting at KISEA. You have been briefed explicitly on this meeting. I must say that

it was decided that the Council of Ministers will meet as soon as possible—after preparation—to formulate a complete national foreign policy framework that will have a time and prospect depth. It will also give Greece the opportunity to have a stable international orientation that will be above and beyond parties and governments.

[Unidentified correspondent] Will responsibilities be sought within the army regarding the deployment of the Turks?

[Reppas] This is something that is being handled by the national defense minister. Please ask him. [passage omitted] [end recording]

#### **Greece: Arsenis Clarifies Decision on Islets Crisis**

NC3101180996 Athens Elliniki Radiofonou Radio Network in Greek 1600 GMT 31 Jan 96

[FBIS Translated Text] National Defense Minister Yerasimos Arsenis, in a news conference held one hour ago with deputy National Defense Minister Nikolaos Kouris; Admiral Khristos Limberis, chief National Defense General Staff [YEETHA]; and the leadership of the three armed forces staff offices present, stressed that the government's decision to defuse the current tension was a political decision made in order to avoid an armed confrontation. Arsenis described this decision as correct and necessary, stressing however that from a military standpoint our country is strong, has a naval advantage, and all people's moral was very high. The national defense minister underlined that there was excellent cooperation among the chiefs of the three armed forces staff offices, that the elaborated plan was complete and provided for the area's full cover with a dense collar of specialized military ships. This planning prevented the penetration of commandos from the rocky islets. The national defense minister said: Despite the fact that we had the power to reoccupy the islets, the tension's deescalation was already decided, taking into consideration the cost in human lives. Arsenis said, however, that the incident concerning the penetration of commandos on the islet will be investigated and the result will be discussed at the KISEA [Government Council on Foreign and Defense Affairs].

He also stressed that he will invite the party chairmen to brief them in detail on the circumstances.

Concerning the flag incident, on which he was persistently questioned by journalists, Arsenis replied that KISEA decided that the navy members while withdrawing from Imia islet would also take the Greek flag. Arsenis added that this was not a lowering of the Greek flag, but took place in order to prevent a similar incident. He concluded by saying that the status quo in the Aegean

has not changed, and that Turkey did not achieve its goal of forcing us into a dialogue.

**Greece: Benefits from Turkey-EU Customs Union**  
96P20248

(FBIS Summary) Following the EU-Turkey Customs Union, relations between the two partners will remain at the present level for the foreseeable future, wrote Strasbourg correspondent Athanasios Papandropoulos in the 28 December Athens weekly OIKONOMIKOS TAKHIDHROMOS. Despite the favorable outcome of the negotiations, Turkey emerged from the process "deeply wounded," Papandropoulos contended, given the "chorus of protests" in EU forums against Ankara's human rights violations. Another source of friction was the view that the customs union is a "benevolent concession" to Turkey to reinforce the pro-European democratic movement and prevent further gains by the country's Islamic fundamentalists. In addition, the fact that assistance funds will be subject to yearly review by the European Parliament based on progress on human rights issues is "offensive" to Turkey and was resented by Turkish diplomats in Strasbourg, who stressed that in essence, Turkey is "under tutelage," Papandropoulos reported.

For the next five years, Turkey is to receive assistance and loans worth 1.5 billion Ecus. According to German Eurodeputy F. Sweiger [name as transliterated] cited by Papandropoulos, this is a "considerable" amount aimed at assisting the Turkish economy to adapt to the con-

ditions of the customs union and improve its competitiveness. Sweiger stressed that the agreement also opens new prospects for European companies to penetrate the large Turkish market. Papandropoulos cited French Eurodeputy Andre Verlaes [name as transliterated] as saying that from an economic and commercial point of view, the customs union could also be beneficial for Greece, especially in the field of agricultural products processing, for Turkey's agricultural sector merits special EU attention in an effort to turn the country into the "granary for the Middle East and Central Asia."

In light of the above, Papandropoulos continued, the Greek stance on the customs union should be "radically" revised, for Turkey henceforth has significant obligations vis-a-vis its European partners that it cannot ignore in the future. It thus becomes clear, Papandropoulos affirmed, that Ankara's rapprochement with Europe is an important development for Greece. It opens up prospects for long-term economic cooperation and "practically" does away with the "Turkish threat" that has proved costly for Greece. It would be difficult for a country linked with the EU by a customs union to violate Greek territory, unless Islamists acceded to power and abolished the union. This would result in the loss of 1.5 billion Ecus and the risk of withdrawal from NATO, a move that would make Greek intervention in the name of the Atlantic Alliance a possibility. Given such conditions, Papandropoulos concluded, it is felt that the customs union agreement is "of great benefit to Greece."



**Turkey: Government Views on EU Cyprus Representative***TA0102125396 Ankara TRT Television Network in Turkish 1800 GMT 31 Jan 96*

[FBIS Translated Text] Turkey has stated that it will be difficult for the EU to make an impartial and constructive contribution to the Cyprus issue without first fulfilling certain requirements.

In his weekly press conference, Ambassador Omer Akbel, the Foreign Ministry spokesman, answered questions regarding the appointment of a special Cyprus representative attached to the EU term chairman's office. Recalling that efforts for a solution to the Cyprus issue are conducted within the framework of the goodwill mission of the UN secretary general, Akbel reiterated that launching a new process outside this framework is not envisaged.

[Begin Akbel recording] The EU can make a positive contribution to a Cyprus solution only if it recognizes the right of the Turkish Cypriot people to determine its future and the principle of full political and legal equality along the lines of international agreements, respects the London and Zurich agreements that stipulate that Cyprus not become a member of a political and economic organization that does not include Greece and Turkey, and adopts a just and equal stand toward both sides. It would be difficult for the EU, in which Greece is a full member while Turkey is not yet a member, to make an impartial and constructive contribution to the Cyprus issue without first fulfilling these requirements. We are assessing the appointment of a special Cyprus representative attached to the EU term chairman's office in the light of this framework. [end recording]

Amb. Akbel further recalled that the joint declaration issued by the presidents of Turkey and the Turkish Republic of Northern Cyprus notes that the conditions for Cyprus' membership in the EU may be discussed only if agreement is reached on the primary issues.

**Turkey: Report Summarizes Views, Positions on Cyprus***NC3101215896 Ankara TURKISH DAILY NEWS in English 29 Jan 96 p A4*

[Report by Yusuf Kanli]

[FBIS Transcribed Text] ANKARA—U.S. Assistant Secretary of State Richard Holbrooke is expected not to table a new plan but to offer "ideas" for a settlement to the 32-year-old Cyprus problem during his forthcoming long-delayed tour of the region.

Turkish Cypriots, however, underline that Holbrooke may land in a "dead-end" in Cyprus if he fails to see that

the crux of the problem is the Greek Cypriot rejection of the principle of equality of the two peoples of the island.

The U.S. Assistant Secretary of State will start his tour of Turkey, southern and northern Cyprus and Greece on Feb. 10 with a one-day visit to Ankara. Holbrooke is scheduled to complete his tour of the region on Feb. 16.

The visit was originally scheduled for Jan. 22. However the government crisis in Ankara following the inconclusive general election of Dec. 24 last year, and the continued hospitalization of former Greek Prime Minister Andreas Papandreu, forced Holbrooke to postpone his visit, and his retirement from public service.

Although Greece has managed to overcome its government crisis by replacing Papandreu with Konstantinos Simitis, bickering between the two center-right parties in Turkey, the True Path Party of caretaker Prime Minister Tansu Ciller and the Motherland Party of Mesut Yilmaz, has so far successfully prevented formation of a new government.

"Now it appears Holbrooke will be coming, whether a government has been formed in Turkey or not," a source commented. Holbrooke, the brash diplomat who brokered a peace deal between warring parties in Bosnia, has declared 1996 as being "the year of Cyprus," pledging a "big push" on the issue. According to both Turkish Cypriot and diplomatic sources, contrary to speculations floating around for the past two months Holbrooke is not expected to table any "written" plan for a Cyprus settlement or a "map" suggesting the territory the two sides on the island would have after a settlement. Rather, sources say, Holbrooke is expected to spell out "some ideas" that he believed could facilitate a settlement to the Cyprus problem.

"Mr. Holbrooke knows that if he places anything written on the table at his meeting with President Rauf Denktas (of the Turkish Republic of Northern Cyprus), that moment will be the end of the meeting. We cannot accept an imposed settlement," a senior source told the TDN [TURKISH DAILY NEWS]. He underlined, however, that the Turkish Cypriot side expects Holbrooke to make some suggestions on ways to overcome some of the outstanding issues at the Cyprus talks. "The Turkish Cypriot side will tell Mr. Holbrooke that the key to the Cyprus Problem is not concessions on land or in any other field, but the recognition of the principle of equality of the two peoples of the island and the fact that Turkish Cypriots were not and are not a minority in Cyprus but equal partners in the sovereignty of the island. Unless Greek Cypriots recognize Turkish Cypriot equality and

partnership, there can be no settlement on the island," the source said.

Meanwhile, Britain is sending a top official to Cyprus at the end of February for consultations with the two peoples of the island. Britain's ambassador to Cyprus, David Madden, told reporters in Nicosia on Thursday that 1996 offered prospects for progress towards ending the division of Cyprus, echoing the sentiments expressed by Holbrooke.

"Everyone is doing their bit in a coordinated way to make that prediction come true," said Madden, adding that Britain believed it was time was for greater efforts on the Cyprus problem. Foreign Office Political director Jeremy Greenstock will be visiting the island on Feb. 22, he said.

The Greek government is angry with Britain over a meeting last Tuesday between Osman Ertug, the representative of the TRNC [Turkish Republic of Northern Cyprus] in New York, and U.N. Security Council president Sir John Weston of Britain.

Ertug saw Weston to protest against the recent Greek Cypriot condemnation of the Dec. 28 declaration by Turkish Cypriot leader Rauf Denktas and Turkish President Suleyman Demirel, which said trade would continue between the TRNC and Turkey. Europe has imposed a trade embargo on the northern parts of the island.

The meeting was considered by Greek Cypriots as an indication that Britain is trying to "upgrade" ties with the TRNC in view of developments on the Cyprus problem and the European Union.

#### **Turkey: Ciller Explains Kardak Crisis Developments**

TA0102151896 Ankara TRT Television Network  
in Turkish 1300 GMT 1 Feb 96

[FBIS Translated Excerpt] Prime Minister Tansu Ciller has recalled that during the Kardak crisis the government pledged that the Greek flag would be lowered and the Greek soldiers would go, and said that it has kept its promise. Ciller said: We do not give away territory. We do not concede even an inch of territory or a single pebble. We can sacrifice lives, but not territory.

Ciller briefed her party's assembly group meeting on the Kardak crisis developments. Ciller stated that the Lausanne and Paris agreements, which determine the status of the island in the Aegean Sea, do not incorporate the Kardak rocks and other similar formations. Pointing out that work was carried out in connection with these formations in 1932, but that this consisted of minutes signed by a minor department head, Ciller said that this

document did not turn into a final agreement or acquire legal validity. Given this situation, Ciller remarked, there is a territorial claim over Turkey beyond the Lausanne and Paris agreements.

[Begin Ciller recording] Throughout the 48 hours, I asked the Chief of the General Staff's Office and the Foreign Ministry whether these territories are ours. They said: Yes. Intense international pressure was applied on us. We were told: War can erupt here. As was the case prior to the Balkan war, an escalation or a clash can turn this entire region into a bloodbath. I continued to ask whether these territories, these rocks, these pebbles, are ours. I was told: Yes. On Tuesday night [30 January], we had concluded all our preparations, and enormous international pressure was being applied on us. We were told: One single operation in the area, one single soldier to be sent to the region, one single move in the region, will bring you face to face with the entire world public opinion, with NATO, with the United Nations, with the EU, and with the United States. I continued to ask whether these territories, these rocks, are ours. On the other end of the telephone, I was told: Even the departure of one single civilian person to that region would mean the eruption of a big war here. One single move will bring you face to face with the entire world public opinion. This great country's legacy, however, is also its fate. This is our legacy: We do not give away territory. We do not concede even an inch of territory or a pebble. We can sacrifice lives, but not pebbles. [passage omitted] [end recording]

#### **Turkey: Demirel Interviewed on Kardak Dispute**

NC0102151696 Istanbul HURRIYET in Turkish  
31 Jan 96 p 21

["Text" of interview with Turkish President Suleyman Demirel by MILLIYET columnist Sedat Ergin in Ankara; date not given]

[FBIS Translated Text] [Ergin] Can you comment on the escalation of tension in the Aegean Sea?

[Demirel] A ship hit aground near the Kardak islets some time ago. The Greeks arrived to rescue it. Our ships also rushed in to rescue it. Actually, the problem was coincidental. The matter should be resolved before it creates tension and friction. A similar situation took place 45 years ago. The matter was not taken up until now, neither by Turkey nor by Greece. The two sides must remain calm and act with reason to resolve the problem. The most important development was the hoisting of the Greek flag and the deployment of troops on one of the islets. That was wrong. They have to abandon their approach. A peaceful solution can be found to the problem if the normal situation that existed

prior to the incident is restored. That has to be done first. The main issue can be tackled later.

[Ergin] Can you comment on the statements that have been made by the Greek foreign and defense ministers to the effect that "the islets belong to Greece and the Greeks will defend them in every way?"

[Demirel] That is wrong. Fighting a war with Turkey will not be in Greece's interest. On the contrary, a war will harm Greece. But, I do not have to consider Greece's interests. It is up to them to do so. Progress has not been made on the matter for the past 45 years. Considering that, will the world not ask why we have fought a war over a piece of uninhabited rock?

[Ergin] You described the problem as a matter on which "no progress has been made during the past 45 years." However, Turkey has claimed that the islets belong to it.

[Demirel] That is how we have interpreted the agreements. That is why we are convinced that Greece's claims are strange. We have said that "we are right." That is more important than asking who is right or wrong. The Greeks have objected and said that they "are right." The dispute must not create a confrontation. The side that does so will be held responsible. Maintaining a calm approach and acting with reason is the only way to prevent a clash. I believe that "it will be unwise to escalate the tension." However, Turkey cannot tolerate the hoisting of a foreign flag and deployment of foreign troops on the islets. So, they must be removed. We can hold talks when they are gone. That is Turkey's approach.

[Ergin] What will happen if Greece refuses to comply? What are the measures that will be taken to resolve the problem?

[Demirel] I do not know what may happen. In fact, I do not want to discuss it. I want to urge everyone to act with common sense. Abandoning peaceful ways will not be in anyone's interest.

[Ergin] Are you worried? Has the possibility of a clash made you uneasy?

[Demirel] Disputes are disputes. They should not be described as significant or insignificant. Yes, I am worried by the developments. I hope that an undesirable option will not be preferred.

#### **Turkey: Security Council Discusses Kardak Crisis**

TA3101193396 Ankara TRT Television Network  
in Turkish 1800 GMT 31 Jan 96

[FBIS Translated Text] The National Security Council convened under President Suleyman Demirel for a

routine monthly meeting. The council discussed the problem of the Kardak rocks.

The meeting was held at the Cankaya Mansion and lasted three and a half hours. It was attended by Prime Minister Tansu Ciller, the chief of the General Staff, ministers who are members of the council, the force commanders, and gendarmerie commander, and the National Security Council secretary general.

The following statement was issued in connection with the meeting by the council secretariat general: At this session, the council discussed the problem that emerged in connection with the Kardak rocks that are under Turkey's sovereignty in the Aegean Sea. The council observed with pleasure that these developments were resolved with common sense, with the supreme efforts and determination of all the institutions and organizations of our state for the protection of Turkey's sovereignty rights, and as a result of our people's mature support for national policies. The issue was discussed at the meeting within the framework of the general Aegean issue, and all the other problems concerning the Aegean Sea were reviewed. The council believes that the problems should be resolved peacefully and that the concerned sides must cooperate to solve them.

The National Security Council also assessed the situation concerning the struggle against terrorism, and stressed the need to continue with the struggle until terrorism is completely eliminated from Turkey's agenda.

#### **Turkey: Armenia-Azerbaijan War's Impact on Pipeline**

NC3101202996 Inasht TURKIYE in Turkish  
29 Jan 96 p 7

[Report by Serife Ustuner]

[FBIS Translated Text] Ankara — The debate over the transport of early Caspian oil also raised doubts on the future of the Baku-Ceyhan project, which Turkey proposed for transporting the Caspian oil to the south. While Azerbaijani authorities are fully supporting Turkey's Baku-Ceyhan project, the consortium's member firms have conditioned the realization of this route on the termination of the Armenian-Azerbaijani war.

Hayrettin Uzun, former director of BOTAS [Turkish Pipeline and Petroleum Transport Corporation] and now ANAP [Motherland Party] deputy from Kocaeli, said that Turkey should henceforth play a more active role as regards the oil pipeline.

He said Turkey should give special importance to the Baku-Ceyhan route in view of the fact that, despite earlier plans to use Baku-Novorossiysk and Baku-Supsa



pipelines for only the transport of the early oil, they are now being considered for the transport of the main bulk of the oil.

Hayrettin Uzun said that the Baku-Ceyhan route could only be realized if the Armenian-Azerbaijani war is transformed into a just peace safeguarding the rights of the two countries, otherwise the Baku-Ceyhan route will be removed from the agenda for good.

#### The Azerbaijani-Armenian War

Remembering that the consortium plans to use all three oil routes and that the Baku-Novorossiysk pipeline has already been completed and the construction of the Baku-Supsa pipeline will begin in February, ANAP deputy Uzun said: "The other pipelines to carry the bulk of the oil will be on this year's agenda. If Turkey really wants the realization of the Baku-Ceyhan route, then it should play a more active role as regards the Armenian-Azerbaijani war. It should take initiatives on international platforms to secure a just peace in the region and between the two countries. The Ceyhan route could be removed from the agenda if peace is not achieved between the two countries. This is because the consortium is not warmly disposed towards the pipeline that Turkey wants to pass through Georgia. It only supports the route passing through Armenia."

**Turkey: Ciller Said Considering Role as Opposition**  
NCD102083096 Istanbul TURKIYE in Turkish  
29 Jan 96 p 15

[Report by Ziya Osman Acikel]

[FBIS Translated Text] Ankara — Prime Minister Tansu Ciller said that in view of the messages coming from the party grass roots she is ready to go into opposition. Ciller said: "A constructive opposition role will bring DYP (True Path Party) to power on its own."

In assessing the issue of going into opposition to our paper, Ciller said that step by step they are moving towards becoming the opposition, and added: "Our struggle is not for the sake of Tansu Ciller's premiership. We are not engaged in a personal struggle. The role of the main opposition will suit our party."

Ciller said: "DYP will be in the opposition against a wrong coalition to be set up by RP (Welfare Party) and ANAP (Motherland Party). We are not constructing our oppositional role on personal wrangling. We will show how to act like an opposition party to those who opposed our administration only in words without producing any solutions. The basis of our oppositional role will be to solve the problems facing the country, to correct mistakes, and to struggle for the nation."

DYP leader and Prime Minister Tansu Ciller, who initiated a new strategy following the impasse in the ANAYOL (acronym for Motherland Party, True Path Party coalition) formula, said that her party organizations and grass roots have been calling on her to "go into opposition."

Ciller said: "We are wholeheartedly ready to go into opposition. In the opposition, we could do a good job based on producing solutions to real problems. A constructive oppositional role will bring DYP to power on its own."

Asked "how should the opposition conduct itself?" Ciller replied: "We will show those who opposed our government only in words without producing any solutions how to act like an opposition party. The basis of our oppositional role will be to solve the problems facing the country, to correct mistakes, and to struggle for the nation. Our people want a constructive opposition. Naturally, the opposition levels criticisms, but this should be done only to correct the incorrect policies of the government. One acts as the opposition by putting forward projects that the government fails to conceive or launch. This is how DYP will work if becomes the opposition. It will implement an opposition based on a plan, a program, and with reason."

#### Claim That the Votes "Will Go to the DYP"

DYP leader Tansu Ciller is strongly convinced that the highly possible RP-ANAP coalition will cause a considerable loss of votes for these two parties. According to Ciller's analysis, "there is a considerable amount of left-leaning votes inside the RP. The left's protest votes had gone to the RP during the elections. And, in ANAP, there are votes won over by the pre-election propaganda that 'only ANAP could halt the RP.' These votes will shift to the DYP in opposition."

Stressing that their respect for ANAP was not reciprocated, Ciller indicated that the "rotational premiership model" was put forward by Mesut Yilmaz as ANAP's proposal and DYP said "yes" to it. Ciller added: "We even went further than that. Our party as a whole supported an ANAP candidate for the post of parliament speaker. We made his election possible. What else could we do? I will not allow the DYP to be trampled upon. Unfortunately, ANAP does not believe in ANAYOL."

#### Ciller's Principles as Opposition

In explaining the principles she has identified for the opposition role, Prime Minister Ciller concluded our conversation by saying: "In opposition, the DYP will definitely be a centrist party. Except for the extremist ideologies, we will gather the votes on the left and right



in DYP by acting as an opposition that produces not words but solutions. Our place is right at the center. We will preserve our traditional characteristics and thus will not cut ourselves off from the people. We will work for a state that caters to social needs by safeguarding competition, justice, and quality. While bringing what exists abroad into Turkey, it is also our objective to enable our country to master international values."

**Turkey: Ciller, Ecevit Meet Again on Government**  
 TA3101183296 Ankara TRT Television Network  
 in Turkish 1438 GMT 31 Jan 96

[Statements by Tansu Ciller, True Path Party leader and prime minister, and Democratic Left Party leader Bulent Ecevit following their meeting in parliament — live]

[FBIS Translated Excerpt] [Ciller] [passage omitted] The Kardak rocks issue must be discussed in the coming days within the framework of international law. We agree with Mr. Ecevit that it will be useful to discuss all the problems in the Aegean as a whole. Yesterday and today, he told us about his views on the matter. In our contacts today we told friendly countries that from now on all the problems in the Aegean must be discussed as a whole. We assessed the issue in this way at the National Security Council meeting today. I hope it will be auspicious for our country. I gave Mr. Ecevit detailed information about this matter.

I also briefed him on the efforts to form a government. [passage omitted] I told him that if the True Path Party [DYP] and the Motherland Party [ANAP] set up a government, we would be open to the model of shared power between the prime minister and the deputy prime minister, as he suggested yesterday. I told him that we are open to develop this issue. I also said that if such a partnership is established, we are open to a third or even fourth partner. I said that we would be open to such a coalition with Mr. Ecevit. I asked for his help on this issue. [passage omitted]

[Ecevit] I thanked Mrs. Ciller for having made the time to visit me once again today and to brief me on the Kardak incident, given her busy schedule. In a statement after our meeting yesterday, I expressed the hope that the de facto situation — created by Greece which seized one Kardak island and the island near it — would be resolved without bloodshed and as soon as possible. The reports we received today indicated that this was indeed achieved. For this, I would like to congratulate Mrs. Ciller, the government, and our Armed Forces.

This incident shows that even if there are difficulties in establishing a government in Turkey, even if there is a government crisis, that does not mean that the state is weaker. It also shows that nobody should consider this

a weakness and try to benefit from it. We also saw once again how our nation acts in unity in such situations. [passage omitted]

As I said yesterday, Kardak should not be the subject of negotiations, because that would imply that Turkey has doubts about its sovereignty over that island. I believe that the government was right in not feeling the need to raise the issue of mobilizing the Armed Forces in the Assembly, because the area of operations of the Turkish Armed Forces was inside Turkey's sovereign area. By acting on the assumption that our Armed Forces were not being sent abroad, our government indicated that Turkey considers islands such as Kardak under our own sovereignty, and that there should not even be a need to negotiate it. That was a very appropriate thing to do.

I said yesterday that the Aegean problem which has unfortunately been shelved since 12 September 1980 must be taken down from the shelf and discussed as a whole. If the issues of the continental shelf, the economic region, territorial waters, airspace, the FIR [flight information region] line, and the militarization of islands that must not be militarized are discussed as a whole, a conciliation may be reached much more easily. One party would take a step on one issue, while the other party would respond by taking a step on another issue. In that way, a balanced conciliation can be achieved where the rights of both sides are protected. The Kardak island and the status of islands in similar positions can be discussed within this framework. I was happy to see that the honorable prime minister shares our opinion. From what she told me today, Turkey will take the Aegean problem down from the shelf — where it has been collecting dust for the past 15 years — and place it on the agenda again.

I would also like to point out on this occasion that the United States is, of course, our friend and ally. It is understood that it got involved in connection with the Kardak incident. I consider this natural. However, my impression is that Turkey made its own decisions, and that it acted in a determined manner.

If our Western friends interfere in our relations with Greece beyond a certain point, and if they try to mortgage these relations, Turkish-Greek relations will exacerbate, not improve. Whenever the West interferes in our relations with Greece, the latter exploits that interference. Backed by Western support, it assumed an intransigent attitude. However, whenever the Western states refrained from interfering in Turkish-Greek relations, very good relations were established between Turkey and Greece. [passage omitted]

If the United States and the EU countries really and sincerely want to see good and friendly relations between

Turkey and Greece, then they must leave those two countries alone. The concern that Turkey will exploit that situation and demand territory from Greece is completely unfounded. If Turkey had such an intention, it has had plenty of opportunities to do so. Turkey does not have any aims on territory outside its own but it protects all its national interests inside its own sovereign area. There is no need for concern about Turkey's aims or intentions. Considering the good relations that reigned between Turkey and Greece during the period of Ataturk and Venizelos, and during the period of Menderes and Karamanlis — when the West did not interfere — the Westerners should leave us alone and not interfere in our affairs, if they want us to establish good relations with Greece.

I also told Prime Minister Ciller what I think about this issue. I also expressed the hope that the dialogue about the Aegean problem will be revived as soon as possible. I was happy to see that the honorable prime minister feels the same way.

Regarding the government issue, at this stage there is nothing I can add to what I said yesterday. I will meet with Mr. Mesut Yilmaz and hear his views. After that I will be able to comment more on the issue. After I hear Mr. Yilmaz's views on my proposals — to which Mrs. Ciller agreed — I will convene the concerned party bodies of the Democratic Left Party. According to our party regulations, the party assembly group first expresses its view on whether or not the party should join or support a coalition. The party assembly then reaches a decision in light of the views of the party deputies. I will activate this process.

I had two aims in making these two proposals — that the prime minister and deputy prime minister have equal authority in a DYP- ANAP coalition, or that rotational minority governments are set up where we will help get them a vote of confidence. And I made the proposals without differentiating between the DYP and ANAP. The first reason I made these proposals is that given the domestic and foreign policy problems facing us, Turkey cannot bear to wait a long time for the establishment of a government, it certainly cannot bear a long government crisis. The second reason is that even though I certainly do not question its legitimacy, I fear that an RP government model or coalition could be dangerous for the secular, democratic, and republican systems in Turkey. So I made the two proposals with the hope that there would not be a need for an RP government model. I wish the honorable prime minister success in her efforts.

# **Turkey: Yilmaz, Ecevit Comment Following Meeting**

TA0102075896 Ankara TRT Television Network in Turkish 2200 GMT 31 Jan 96

[News conference by Democratic Left Party leader Bulent Ecevit and Motherland Party leader Mesut Yilmaz following their meeting on 31 January in Ankara — recorded]

[FBIS Translated Text] [Ecevit] We had a favorable meeting with Motherland Party [ANAP] leader Mesut Yilmaz and his esteemed colleagues. We conducted a joint assessment of the latest developments regarding the government issue. As you know, Prime Minister Ciller has displayed a warm approach to the proposals I submitted in the past days, particularly the model of a rotational minority government that would be supported from the outside. I am under the impression that Mr. Yilmaz's views on this proposal are that it can be taken into consideration and discussed further. During our meeting, however, it was understood that he has other proposals and views concerning the details and implementation of this model which he will probably announce during his meeting with Mrs. Ciller. Thank you very much.

[Unidentified correspondent] In the statements she issued, Mrs. Ciller said that she asked for your assistance regarding the formation of a government. Did you bring Mr. Yilmaz a message from Mrs. Ciller?

[Ecevit] No. I suppose Mr. Yilmaz will talk to Mrs. Ciller personally. As you know, Mr. Yilmaz has been kind enough to keep me informed regarding the meetings held on the government formation issue since the beginning of the initiatives. I, in turn, had the opportunity to brief him on the contents and my impressions of the meeting I held with Mrs. Ciller. I thank you again.

[Yilmaz] I do not have much to add to Mr. Ecevit's statements. Mr. Ecevit briefed me on his two meetings with Mrs. Ciller. In addition, I had the opportunity to learn more about the details of the proposals he submitted regarding the coalition models. I suppose I will have an opportunity to hold detailed discussions on this issue tomorrow. I will make a more extensive statement after my meeting with Mrs. Ciller tomorrow.

[Correspondent] In your meeting with Mrs. Ciller tomorrow, will you explain the models you disclosed to and discussed with Mr. Ecevit or will you wait to be assigned the task of forming a government first?

[Yilmaz] At this moment, the task of forming a government has been assigned to Mrs. Ciller. She is the one who is in a position to bring a proposal tomorrow. I

will learn more about her proposal during tomorrow's meeting, and together we will determine whether conciliation is possible. I suppose Mrs. Ciller will opt for relinquishing her task should conciliation be impossible.

[Correspondent] Are you as opposed to Mrs. Ciller's assuming the post of prime minister as before?

[Yilmaz] This involves a unanimous decision reached by ANAP's authoritative party bodies and is not a question of being favorably or unfavorably disposed to her premiership. It is impossible for me to act in a way that is not in line with these decisions.

[Correspondent] Which of the models proposed by Mr. Ecevit is closer to your current disposition: the rotational

minority government model or the model that envisages equating the authorities of the prime minister and the deputy prime minister?

[Yilmaz] We think that the rotational minority government model is a proposal that can be assessed and discussed.

[Correspondent] Who do you think should assume the post of prime minister first?

[Yilmaz] I will discuss this with Mrs. Ciller tomorrow.

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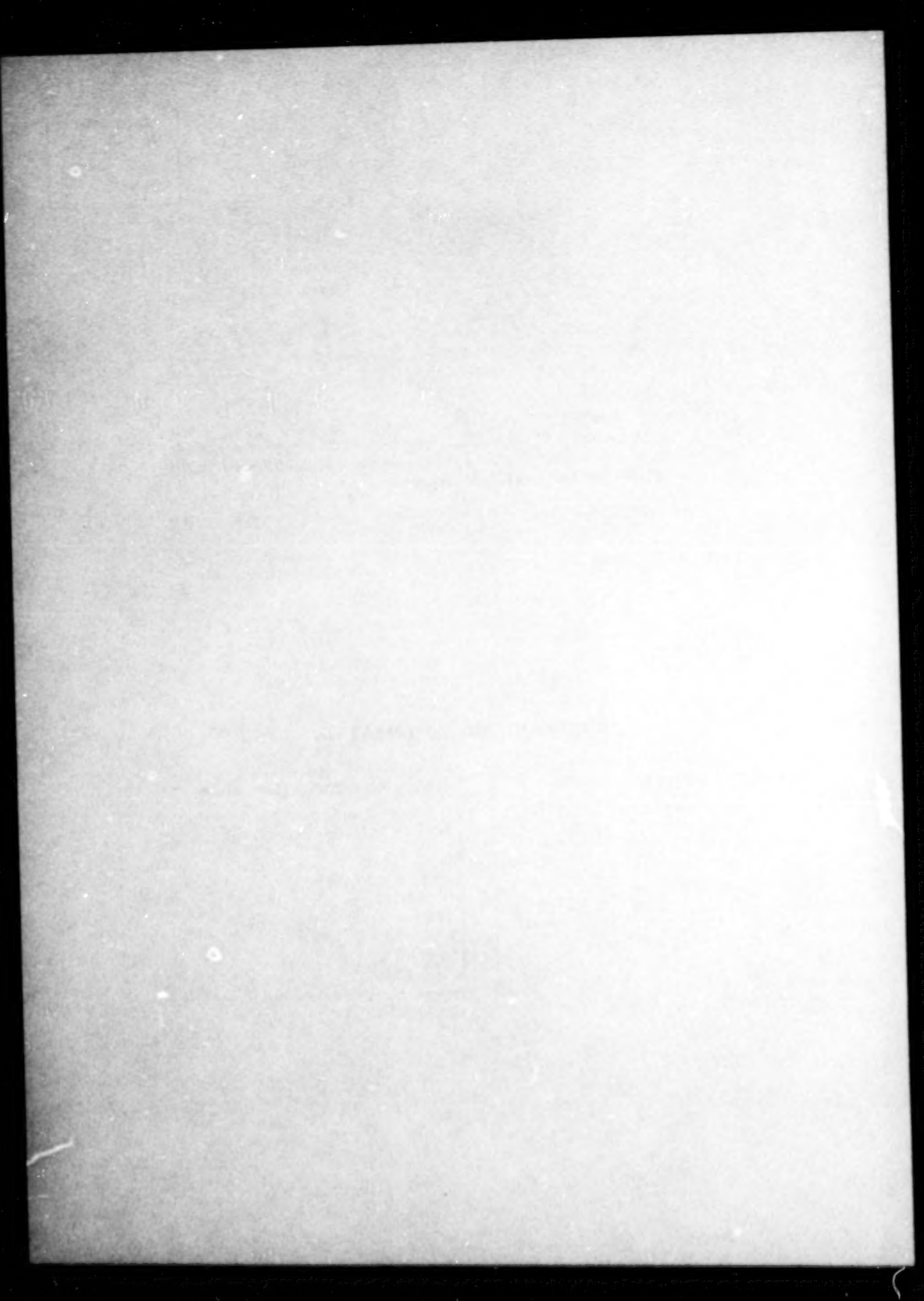
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